



5 CLOSED  
STACKS



GOVERNMENT INFORMATION CENTER  
SAN FRANCISCO PUBLIC LIBRARY

SAN FRANCISCO  
PUBLIC LIBRARY

REFERENCE  
BOOK

*Not to be taken from the Library*

SAN FRANCISCO PUBLIC LIBRARY



3 1223 05718 3403



Digitized by the Internet Archive  
in 2013

<http://archive.org/details/1minutes1998sanf>



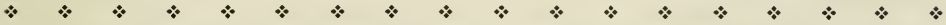
For Copy let Postage 1/2/98

JAN 05 1998

FRANCISCO  
PUBLIC LIBRARY

VETERANS BUILDING  
401 VAN NESS AVENUE, ROOM 410  
SAN FRANCISCO, CA 94102

CLERK:       Rosemary Little-Horanzky



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

SPECIAL MEETING

WEDNESDAY, JANUARY 7, 1998 – 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1. File 101-97-24. [Fire Department Overtime] Hearing to consider why the Fire Department has expended its entire fiscal year 1997-98 budget for overtime, what steps are being taken to curb abuses of overtime and disability pay and supplemental appropriation to allow the Fire Department to continue to pay firefighters through the end of the fiscal year. (Supervisors Kaufman, Leal)

ACTION:

2. File 98-0024. [Health Services System Claims Backlog] Hearing to consider the causes and to identify potential solutions for the current claims backlog experienced in the Health Services System. (Supervisor Leal)

ACTION:

3. File 98-0025. [Reserved Funds, Mayor's Office] Hearing to consider release of reserved funds, Mayor's Office of Children, Youth and Their Families, in the amount of \$200,000, for the purpose of establishing the San Francisco Child Care Facilities Financing Program. (Mayor's Office of Children, Youth and Their Families)

ACTION:

4. File 97-97-74. [Closed Sessions for Assessing Merit] Ordinance amending Administrative Code Chapter 67, the San Francisco Sunshine Ordinance, by amending Section 67.10 to allow executive compensation committee to meet in closed session when evaluating an employee's performance to determine whether to award merit increases in compensation. (Supervisor Kaufman)

ACTION:

5. File 101-97-53. [Appropriation, City Attorney] Ordinance appropriating \$824,009 from the General Fund Reserve-Litigation for salaries and fringe benefits for the City Attorney for fiscal year 1997-98. (Mayor)

ACTION:

6. File 121-97-10. [Displaced Worker Protection Act] Ordinance amending Police Code by adding Article 33C, Sections 3300C.1 through 3300C.6, to provide for the retention of security, janitorial, buildings maintenance and non-professional health care workers when a successor contract is awarded. (Supervisor Bierman)

ACTION:

7. File 172-97-19. [Amendment, Advertising Shelter Agreement] Ordinance amending Third Amendment to Advertising Transit Shelter Agreement between City and County of San Francisco and Outdoor Systems, Inc. to maintain MUNI Metro Extension and F-Line boarding platforms in exchange for advertising on platforms and to expand transit shelter program. (Public Transportation Department)

ACTION:

8. File 101-97-38. [Appropriation, Department of Public Health] Ordinance appropriating \$422,810, Department of Public Health-Community Health Service, of the General Fund Reserve, to fund the ambulatory health and mental care services at the new Treasure Island jail facility and for the creation of nine (9) new positions for fiscal year 1997-98; companion measure to File 102-97-13. RO #97161. (Controller)

ACTION:

9. File 102-97-13. [Salary Ordinance Amendment, Dept of Public Health] Ordinance amending Ordinance No. 307-97 (Annual Salary Ordinance, 1997/98), Department of Public Health-Community Health Service, reflecting the creation of nine (9) positions; companion measure to File 101-97-38. (Department of Human Resources)

ACTION:

10. File 101-97-40. [Appropriation, Department of Public Health-SFGH] Ordinance appropriating \$189,738, Department of Public Health-San Francisco General Hospital, of the General Fund-Salary and Benefits to provide funding for additional patient care hours as specified in the Memorandum of Understanding between the City and SEIU Local 790 (Nurses), and for the creation of 5.24 positions for fiscal year 1997-98; companion measure to File 102-97-15. RO #97162. (Controller)

ACTION:

11. File 102-97-15. [Salary Ordinance Amendment, DPH-SFGH] Ordinance amending Ordinance No. 307-97 (Annual Salary Ordinance, 1997/98), Department of Public Health-Community Health Network, reflecting the net creation of 5.24 new positions; companion measure to File 101-97-40. (Department of Human Resources)

ACTION:

12. File 101-97-45. [Appropriation, Department of Public Health] Ordinance appropriating \$1,033,415, including an additional \$262,415, Department of Public Health-Community Health Service, from Medi-Cal and Medicare Revenues and transferring \$771,000 of visiting nurse hospice group contracts to fund the newly created Community Health Network Home Health Agency and for the creation of 28.2 new positions; companion measure to File 102-97-16. RO #97163. (Controller)

ACTION:

13. File 102-97-16. [Salary Ordinance Amendment, Dept of Public Health] Ordinance amending Ordinance No. 307-97 (Annual Salary Ordinance, 1997/98), Department of Public Health-Community Health Service, reflecting the creation of 28.2 new positions; companion measure to File 101-97-45. (Department of Human Services)

ACTION:

14. File 93-97-3. [MOU, MEA Police, Bargaining Unit P3] Ordinance implementing the provisions of a Memorandum of Understanding between the Municipal Executives Association and the City and County of San Francisco for Bargaining Unit P3 to be effective July 1, 1992 through June 30, 2001. (Department of Human Resources)  
(Continued from 12/17/97.)

ACTION:

15. File 172-97-77.1. [Competitive Bidding Exemption] Ordinance waiving competitive bid requirements for the Recreation and Park Commission's award of contracts to the San Francisco Conservation Corps for renovation of play areas at Gilman Playground and Herz Playground. (Recreation and Park Department)

ACTION:

16. File 27-97-12. [Federal Grant - Airport] Resolution authorizing Airport Commission to file grant application, and accept and expend grant of \$360,000 from the Federal Aviation Administration for the K-Explosives Detection Program. (Mayor)

ACTION:

17. File 97-97-66. [Cash Difference and Overage Funds] Ordinance amending Administrative Code Section 10.88 concerning Cash Difference Fund and Overage Fund, to add the Public Utilities Commission Customer Service Bureau to the list of departments to which Section 10.88 applies. (Mayor)

ACTION:

18. File 101-97-44. [Appropriation, Port Commission] Ordinance appropriating \$3,500,000, Port Commission, of San Francisco Harbor Operating Fund Loan Revenue, to fund the costs for the design and construction of Hyde Street fishing harbor for fiscal year 1997-98. RO #97158. (Controller)

ACTION:

19. File 101-97-46. [Appropriation, Dept of Building Inspection] Ordinance appropriating \$262,549, Department of Building Inspection, of Building Inspection fund balance to replenish the Repair and Demolition Fund for fiscal year 1997-98. RO #97166. (Controller)

ACTION:

20. File 28-97-11. [Emergency Repairs, Water Treatment Plant] Resolution approving expenditure of funds for San Francisco Water Department emergency procurement and repairs for Water Treatment Plan Operations. (Also see File 28-97-2). (Public Utilities Commission)

ACTION:



21. File 101-97-54. [Appropriation, Department of Public Works] Ordinance appropriating \$10,790,000, including \$7,000,000, Department of Public Works, from Earthquake Safety Improvement Fund interest earned and rescinding and appropriating \$3,790,000 from various projects, to fund the cost of construction of new utility systems at the San Francisco Zoo for fiscal year 1997-98. RO #97167. (Controller)

ACTION:

22. File 97-97-65. [San Francisco Refunding Revenue Bonds] Ordinance amending Administrative Code by amending Section 55.1 and adding a new Section 55.06, providing for the debt service savings test for issuance of Refunding Revenue Bonds without voter approval. (Mayor)

ACTION:

### LITIGATION

The Finance Committee of the Board of Supervisors may decide, by motion, to meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlement of the claim listed below, this claim involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of this proposed settlement would prejudice the position of the City in this claim.

23. File 46-97-12. [Settlement of Claim, NSF Design Subconsultant] Ordinance approving the settlement of the City's claims against MCT, mechanical and electrical design subconsultant for the new sheriff's facility. (MCT will pay \$400,000 to the City) (City Attorney)

ACTION:

The Finance Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberation in the above item at this time and may move not to disclose any information at this time.

### LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution is introduced which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. Now pending:

File No. 97-97-70, Cash Assistance Linked to Medi-Cal Program – CALM, (Mayor), 30 day Rule expires 1/07/97.

File No. 97-97-71, Indigent Adults, Personal Assisted Employment Services – PAES, (Mayor), 30 day Rule expires 1/07/97.

File No. 97-97-72, Supplemental Security Income Pending Cash Assistance, Program – SSIP, (Mayor), 30 day Rule expires 1/07/97.

File No. 97-97-73, General Assistance Program – Various Changes, (Mayor), 30 day Rule expires 1/07/97.

**FINANCE COMMITTEE**  
S.F. Board of Supervisors  
Veterans Building  
401 Van Ness Avenue, Room 308  
San Francisco, CA 94102

**IMPORTANT HEARING NOTICE!!!**

Bill Lynch  
Govt Information Ctr  
41 Main Library-Civic Center  
100 Larkin Street

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS  
BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

January 2, 1998

TO: Finance Committee

FROM: Budget Analyst *Recommendations for meet*

SUBJECT: January 7, 1998 Finance Committee Meeting

DOCUMENTS DEPT.

JAN 06 1998

SAN FRANCISCO  
PUBLIC LIBRARY

Item 1 - File 101-97-24

Department: Fire Department

Item: Hearing to consider (a) why the Fire Department has already expended its entire Fiscal Year 1997-98 budget for overtime, and (b) what steps the Fire Department is taking to curb abuses of overtime and disability pay.

Description: 1. The Fire Department has prepared a status report in response to directions of the Finance Committee at its meeting of November 12, 1997 when this matter was last heard. This status report, provided to the Budget Analyst in draft form on December 31, 1997 will be presented to the Finance Committee prior to its January 7, 1998 meeting. The Budget Analyst notes that the Fire Department has taken the following actions:

- The Fire Department has arranged for disability leave verification services with the Department of Human Resources (DHR).

Memo to the Finance Committee  
January 7, 1998 Finance Committee Meeting

- The Department is in the process of hiring an Accountant to replace a Senior Accountant on leave, and a Disability Leave/Sick Leave Case Manager, as recommended by the Finance Committee. In addition, two light duty Firefighters have been assigned to assist the Department Physician and perform sick and disability leave monitoring.
- The Department has implemented the Budget Analyst's recommendation to cease the payment of Holiday Pay at time and one-half to all Uniform employees unless such employees actually work on City holidays. A General Order to this effect was issued on December 19, 1997 and will go into effect on February 1, 1998. The Fire Department estimates that savings for the two holidays that will remain in the current, 1997-98 fiscal year after the February 1, 1998 implementation of this General Order will total \$106,344. The Department states that future savings from this practice may be offset by some amount if Firefighters request an in-lieu holiday instead of straight time pay for holidays they did not work, potentially creating additional overtime requirements in suppression units. Lastly, the Department reports that this new General Order will be subject to further discussion and negotiations in future meetings with the Firefighters union, as it represents a departure from past practices.
- The Department has implemented the Budget Analyst's recommendation to disallow payment of overtime for Firefighters that work an overtime shift and then take a time coming day or sick day in the same biweekly pay period subsequent to working the overtime shift.
- The Department has provided documentation of a November 7, 1997 directive that intermittent vacation days and "time coming" (compensatory time off) days be limited to lower levels that have historically been granted.
- The Department states that they have established a documentation system for the Stress Unit that is modeled after the City's Employee Assistance Program (EAP).

BOARD OF SUPERVISORS  
BUDGET ANALYST



2. On December 31, 1997, the Controller issued a memorandum stating that "Should the Department be able to cutback spending as dramatically as they project and should the Treasure Island project fully fund their related expenses, the Department would end the year on budget." However, the Controller also notes that, if the Department continues to spend at current rates, they will overspend their Fiscal Year 1997-98 budget by \$2.2 million. If the Department spends at a rate equal to spending during the first half of 1997-98, they will overspend their budget by \$4.8 million, according to the Controller. The Controller's memorandum is attached.
3. The Budget Analyst has reviewed the Fire Department's latest report on average daily overtime shifts in Suppression Units and absenteeism factors that contribute to such overtime. During the first eight pay periods of the current Fiscal Year, the Department averaged 27.2 overtime shifts per day. This average declined to 14 overtime shifts per day for the last five pay periods. Additionally, the Department notes that, on November 8, 1997, they assumed fire protection responsibility for Treasure Island, necessitating six overtime shifts per day for the increased suppression responsibility. The average of 14 overtime shifts per day includes the six overtime shifts caused by the new Treasure Island responsibilities.
4. The primary contributing factor to this decline in overtime shifts has been an increase in total staffing, due to the assignment of new Firefighters to suppression duty after completion of their training in November, 1997 and a reduction in Disability Pay which averaged 27.4 shifts per day during the first eight pay periods of the Fiscal Year, but has declined to a current level of 15.6 shifts per day.



## CITY AND COUNTY OF SAN FRANCISCO

## OFFICE OF THE CONTROLLER

## MEMO

Post-It™ brand fax transmittal memo 7671		# of pages > 4
To	Ken Bruce	
Ca.	Ca.	
Dept.	Phone #	
Fax #	Fax #	

TO: Finance Committee, Board of Supervisors

FROM: Ed Harrington

DATE: December 31, 1997

SUBJECT: Fire Department Overtime

You had requested a periodic report on overtime spending in the Fire Department along with our projections for the rest of the year. This report was delayed until charges for work provided to the Airport and Port could be removed allowing us to see the General Fund numbers.

Our system shows that the Fire Department will have difficulty staying within their overtime budget under any scenario. There are several ways to project what will occur between now and fiscal year end:

- If the Department spends according to their spending plan (Attachment A) which shows a marked reduction in overtime when new fire classes graduate and move into the stations, they would overspend their budget by about \$425,000 (Attachment B). This projected overspending is due entirely to spending at Treasure Island. It is expected that the Treasure Island project will request a supplemental appropriation sufficient to cover this projected deficit. Should the Department be able to cutback spending as drastically as they project and should the Treasure Island project fully fund their related expenses, the Department would end the year on budget.
- If the Department continues to spend at the rate they spent during the most recent pay period for which we have complete information (12/12/97), they would overspend their budget by \$2.2 million (Attachment C).
- If the Department continued to spend for the second half of the year the way they spent year to date, they would exceed their budget by almost \$4.8 million dollars (Attachment C). This should not occur since the Department has curtailed their spending since the high numbers at the beginning of the year; and even in years without overtime problems, summertime spending is always higher than the rest of the year.

Please feel free to contact me should you have any questions.

cc: Chief Demmons  
Matthew Hymel  
Harvey Rose

Item 2 - File 98-24

**Note:** This item was previously heard and filed by the Finance Committee as File 78-97-2 at the October 29, 1997 Finance Committee meeting.

**Department:** Health Services System (HSS)  
Department of Human Resources (DHR)

**Item:** Hearing to consider the causes and to identify potential solutions for the current medical claims backlog experienced in the City Health Plan administered by Health Services System.

**Description:** The following paragraphs summarize the causes and solutions, as proposed by DHR, for the medical claims backlog experienced in the City Health Plan administered by the HSS, as reported to the Finance Committee at its October 29, 1997 meeting.

As of October 1997, the City's Health Plan had a medical claims backlog of approximately 35,000 claims. At that time, the Health Plan received an average of 1,360 claims per day, and took an average of approximately 25 days to process claims (i.e., to pay health care providers for medical care provided to members of the City's Health Plan). HSS reported that the size of the backlog and the average claims processing time had increased significantly since July 1, 1997, because:

- (1) the number of employees enrolled in the City Health Plan had increased by approximately 17 percent over the previous year;
- (2) HSS was experiencing staff shortages as a result of illness and workers compensation claims, which reduced claims processing staffing levels from ten FTEs to eight; and,
- (3) HSS used an inadequate computer system to process claims.

To ameliorate these problems, HSS proposed the following:

- (1) DHR would transfer six positions from other DHR responsibilities to HSS for a three-month period, from November 15, 1997 to February 15, 1998, to assist in reducing the backlog; and,
- (2) DHR would obtain an optical scanning device within three months, and other new claims processing equipment, as soon as funding for this equipment was identified. DHR

proposed to address the medical claims backlog problem in the long term through a technology solution rather than through an increase in authorized staffing in the current 1997-98 Fiscal Year.

The attached memorandum, provided by Mr. Fred Howell, Acting Executive Director of HSS, provides updated information regarding the current status of the medical claims backlog. According to this memorandum:

- (1) The claims backlog has increased from 35,000 to approximately 53,000 as of December 15, 1997.
- (2) The transferred positions from DHR, which the memorandum states were intended to contain rather than reduce the backlog, are in place.
- (3) The optical scanner solution has been delayed because of technical difficulties and HSS intends to request new equipment for this purpose in its Fiscal Year 1998-99 budget.
- (4) HSS plans to obtain a temporary contract for experienced claims processors to eliminate the current claims backlog, to be funded from the DHR's FY 1997-98 budget.
- (5) HSS will be requesting additional permanent staff during the FY 1998-99 budget process as part of the permanent solution to eliminating the backlog.



**HEALTH SERVICE SYSTEM**  
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES  
**CITY AND COUNTY OF SAN FRANCISCO**

**MEMORANDUM**

**DATE:** January 2, 1998

**TO:** Harvey M. Rose, Budget Analyst  
Board of Supervisors

**THROUGH:** Andrea R. Gourdine  
Human Resources Director

**FROM:** Frederic A. Howell  
Acting Executive Director, HSS

**SUBJECT:** **FINANCE COMMITTEE MEETING, JANUARY 7, 1998**  
**ITEM 2 - FILE 98-0024, Health Service System Claims Backlog**

This memorandum provides an update to the DHR report of October 24, 1997, as presented to the Finance Committee on October 29, 1997.

**BACKGROUND**

In summary, the previous report described (a) factors that contributed to the claims backlog, including plan changes and shifts in enrollment that resulted from greater subsidy of member cost, inefficient claims processing techniques, an increasing number of duplicate claims, and a high rate of employee absenteeism; (b) the action of TXing other vacant positions in the Department to provide additional staffing support on a temporary basis; (c) the plan to acquire state-of-the-art equipment that will facilitate claims processing, and (d) return employees to work and analyze the HSS staffing structure to determine what changes, if any, are warranted for inclusion in the 1998-99 budget request.

**UPDATE**

The six TXd positions are filled, primarily by promoting from within at the levels of 1209 Benefit Technician and 1210 Benefit Analyst. The resulting domino effect created vacancies at the 1404 Clerk level and the overall process took longer than desired, but current staff members were given promotional opportunities --albeit temporary-- before outside hires were made. Additionally, the Department made two other part-time persons available to assist with the telephone and pre-processing activities. It was never intended that this level of added staffing would eliminate the backlog; rather, it was anticipated that this



HSS Claims Backlog Memo  
January 2, 1998  
Page 2

would help to contain the backlog at some point and prevent further expansion because of training requirements. This has proven to be the case thus far and it is now necessary to introduce another level of support aimed at reducing the backlog.

The Optical Scanner was originally viewed as the solution to this mid-range part of the problem. The Department continues to pursue this option, but because of technical difficulties in connection with the claims information system interface, it is more likely that the scanner will be a solution proposed as part of the 1998-99 budget request. Meanwhile, the backlog continues to increase at an unacceptably high rate.

The Department sought alternative human resource solutions to this problem, including discussions with the Department of Public Health's billing unit, which was unable to assist, to the San Francisco Health Authority, which is unable to assist at this time, to surveying a number of outside agencies that provide claims processing services. As the result of these inquiries, the Department is seeking to obtain a contract with an agency to furnish experienced contract processors on a temporary basis to assist in eliminating the current claims backlog. The impact of the temporary employees hired through TXing other vacant DHR positions combined with the use of contract processors appears to offer a reasonably achievable short-term solution without relying upon a technological solution surrounded by other uncertainties at this time (the optical scanner).

Attached are two tables that demonstrate the effect of both the new staff and contract personnel. They show that the current abnormal backlog is reduced to a normal level by mid March. The backlog had grown to over 53,00 by mid December with an estimate of only 12 percent being duplicates, even though we believe the number of duplicates is higher. With Civil Service Commission approval of the contract on January 5, 1998, an all-out assault on the medical claims backlog can begin that very week. Initial funding for this contract is available in the Department's current appropriation.

The staffing recommendation for the 1998-99 HSS budget will be presented to the Health Service Board at its regular meeting on January 15, 1998.

We will be pleased to answer any further questions you might have.

enclosures

**Department:** Mayor's Office of Children, Youth and Families (MOCYF)

**Item:** Ordinance appropriating \$200,000 from General Fund General Reserve for the MOCYF's Child Care Facilities Fund for FY 1997-98.

**Amount:** \$200,000

**Source of Funds:** General Fund General Reserve

**Description:** This item is a request to release a \$200,000 budget appropriation for child care facilities. This appropriation was authorized during the FY 1997-98 budget process and placed on reserve pending selection of contractors and information regarding the hours and hourly rates and the LBE/MBE/WBE status of the contractor.

**Comment:** MOCYF has requested that this item be continued, pending the completion of contract negotiations that are currently underway.

**Recommendation:** Continue this item to the call of the Chair.





Item 4 - File 97-97-74

**Item:** Ordinance amending Article II, Chapter 67 of the Administrative Code (the San Francisco Sunshine Ordinance) by amending Section 67.10 to add a section to allow the Executive Compensation Committee (ECC) to meet in closed session when evaluating an employee's performance to determine whether to award merit increases in compensation.

**Description:** Chapter 67 of the Administrative Code, referred to as the "Sunshine Ordinance," sets forth rules and regulations to ensure that the City's operations are open to the public's review by requiring actions such as public notices of meetings and agenda disclosures.

Section 67.10 states that a policy body may hold a closed session: (a) with the State Attorney General, District Attorney, Sheriff, or Chief of Police, or their respective deputies, on matters posing a threat to the security of public buildings or a threat to the public's right of access to public services or public facilities; and, (b) to consider the appointment, employment, evaluation of performance, or dismissal of a City employee, if the policy body has the authority to appoint, employ, or dismiss the employee, or to hear complaints or charges brought against the employee by another person or employee unless the accused employee requests a public hearing.

The proposed ordinance would amend Article II, Chapter 67 of the San Francisco Administrative Code, the San Francisco Sunshine Ordinance, by amending Section 67.10 to permit an Executive Compensation Committee (ECC), established under Memorandum of Understanding (MOU) with the Municipal Executives Association (MEA), to meet in closed session when evaluating the performance of an individual officer or employee or when establishing performance goals for such an officer or employee where the setting of such goals requires discussion of that individual's performance.

According to the Controller, Mr. Ed Harrington, the MEA's ECC was established under the 1996-97 MOU with the MEA to standardize the goals and objectives that are used by City managers as part of the newly negotiated Pay-for-Performance process. The ECC, by MOU, consists of a representative of the Board, the Mayor, the City's Human Resources Director, and two members who are to be appointed: a City Department Head and a member of the public who is knowledgeable in executive compensation matters. The ECC may review members in the MEA's Executive Management group and the Management Unit. In this first year, the ECC will only review the Executive Management group which is comprised of about 110 high level City managers of departments and commissions. In addition, the ECC will set the goals and objectives for Pay-for-Performance for the Controller and will evaluate the performance of the Controller.

Beginning in January of 1998, the ECC will review and evaluate whether the goals and objectives submitted for the MEA managers in the Executive Management group are internally consistent. The Controller's Office will provide one staff person, the Principal Administrative Analyst who coordinated the training for Pay-for-Performance management, to the ECC. The Controller's staff person will conduct an initial screening of the goals and objectives used to evaluate MEA managers and report to the ECC on the consistency among agencies. If the ECC concludes that an agency uses goals and objectives that are inconsistent with the standard, the ECC may recommend that the agency modify its performance measures.

According to Mr. Harrington, after final evaluations of all City managers are conducted by departments and commissions in April of 1998, the Executive Management group's evaluations will be forwarded to the ECC for review. Again, the Controller's staff assigned to the ECC will perform an initial screening of the goals and objectives used by agencies with MEA managers from the Executive Management group. If the ECC concludes that performance measures which were used to evaluate an MEA manager were outside of the standard, the ECC has the authority to change the rating of the manager.

For example, should the ECC decide that the performance criteria used to rate a certain MEA manager as "outstanding" was much easier than the criteria that was used by other agencies, the ECC has the authority to reduce the "outstanding" rating to a lower one more consistent with that of other agencies. This reduced rating will impact the employee's compensation although actual salary increases for managers deemed to be "outstanding," "average," etc. will be set through salary negotiations authorized by the Board of Supervisors.

According to Mr. Harrington, as an extension of all current City policies regarding employee evaluations, the ECC's sessions should be closed when the committee is discussing or establishing performance goals and objectives for an individual. The Sunshine Ordinance does not require personnel files and evaluations to be disclosed (Section 67.24c). It also allows for closed sessions when discussing issues similar to those being discussed by the ECC, but only when the agency having the discussion has the "authority to appoint, employ or dismiss..." (Section 67.10b). Since the ECC has similar evaluating powers, though not the power to appoint, etc., Mr. Harrington advises that the ECC should be authorized to hold closed sessions when establishing performance goals for an employee where the setting of such goals requires discussion of that individual's performance.

The proposed ordinance would allow the ECC to meet in closed session when evaluating the performance of an individual officer or employee, or when establishing performance goals for such an officer or employee where the setting of such goals requires discussion of that individual's performance, even though the ECC does not have the authority to appoint, employ or dismiss the employee as set forth in Section 67.10b of the Charter.

**Recommendation:** Approval of the proposed ordinance is a policy decision for the Board of Supervisors.



Item 5 - File 101-97-53

**Department**                      City Attorney

**Item:**                              Supplemental appropriation of \$824,009 for salaries and fringe benefits.

**Amount:**                        \$824,009

**Source of Funds:**          General Fund Reserve – Litigation

<b>Budget:</b>	\$688,970	Permanent Salaries
	<u>135,039</u>	Mandatory Fringe Benefits
	\$824,009	Total

**Description:**                The proposed supplemental appropriation would appropriate \$824,009 of General Fund Reserve - Litigation funds for the City Attorney's Office to pay for permanent salaries and related fringe benefits costs that are being incurred due to tobacco litigation cases. To date, there has been a settlement in the Mangini v. R.J. Reynolds (RJR) Tobacco Company, et. al. case. On September 9, 1997, a Settlement and Consolidation Agreement was signed with RJR to (1) discontinue their "Joe Camel" campaign; (2) release documents relating to the campaign to the public; and (3) pay \$10,000,000 to the City and County of San Francisco, who served as the lead litigator on this case. Under the terms of the Settlement and Consolidation Agreement, of the total \$10,000,000, \$9,000,000 is to be used to finance education, enforcement and/or advertising campaigns by California cities and counties to discourage smoking by minors. Of this \$9,000,000 to be allocated to various California cities and counties, \$1.5 million is to be allocated to the City's Department of Public Health (DPH). A supplemental appropriation for the \$1.5 million for DPH is currently pending in the Finance Committee. The remaining \$1,000,000 of the total \$10,000,000 settlement is to be used to compensate the 14 California cities and counties for attorney time that was spent on the litigation. Of this \$1,000,000, San Francisco would receive \$824,009, under the proposed supplemental appropriation, to compensate the City Attorney for their time spent on the tobacco litigation.



Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

Comments:

1. According to Mr. John Madden of the Controller's Office, the proceeds from the RJR Settlement and Consolidation Agreement was deposited into the City's General Fund Reserve - Litigation account. Therefore, that account is the source of funds for the proposed supplemental appropriation. However, Mr. Madden reports that if the proposed supplemental appropriation is not approved, the \$824,009 would be available for use by the City's General Fund. According to Ms. Peg Stevenson of the Controller's Office, the current balance in the General Fund Reserve - Litigation account is \$11,298,117.

2. Ms. Marty Moore of the City Attorney's Office reports that the City Attorney's Office expended approximately \$104,581 for City Attorney and outside expenses in FY 1996-97 and approximately \$108,835 from July 1 through September 30, 1997 on the Mangini v. R.J. Reynolds Tobacco Company, et. al. case, for total City Attorney expenses of approximately \$213,416. According to Ms. Moore, these costs were paid out of the City Attorney's general litigation expenses, which are funded through the City's General Fund. However, according to Ms. Moore, if the proposed \$824,009 supplemental appropriation is approved, the \$108,835 expenses incurred on the RJR case in FY 1997-98 would be covered by this funding source.

3. According to Mr. Owen Clements of the City Attorney's Office, the City Attorney has been involved in three major cases against the tobacco industry. In addition to the RJR case discussed above, the other two tobacco litigation cases include People v. Philip Morris, et. al. and San Francisco, et. al. v. Philip Morris, et. al. Attachment 1, prepared by Mr. Clements discusses the background and status of each of these cases.

4. According to Ms. Moore, and as shown in Attachment 2, the City Attorney's Office anticipates expending a total of approximately \$1,109,930, including the \$108,835 expended for the R.J. Reynolds case which has been settled, in FY 1997-98 for these various tobacco litigation cases. Ms. Moore reports that that the proposed \$824,009 supplemental appropriation would be used for these City Attorney expenses related to these various tobacco litigation cases. Ms. Moore reports further that when the FY 1997-98 budget was

being prepared, although the City Attorney's Office anticipated these additional tobacco litigation expenses, the City Attorney did not request additional General Fund revenues to cover these tobacco litigation expenses because the City Attorney anticipated receiving the proceeds from the RJR tobacco lawsuit to reimburse the City Attorney's costs.

According to Ms. Moore, the anticipated shortfall of \$285,921 (\$1,109,930 expenses less \$824,009 proposed supplemental appropriation) would be made up through the City Attorney's budget, which is primarily funded through the City's General Fund.

5. However, in addition to the \$1,109,930 anticipated to be expended in FY 1997-98 on these tobacco litigation cases, it should be noted that the City Attorney's Office has already expended an additional \$587,380 in FY 1996-97 (\$482,800 on these other tobacco litigation cases and \$104,581 on the RJR case) on these tobacco litigation cases. All of these FY 1996-97 City Attorney expenses were paid by the City's General Fund, through the City Attorney's general litigation expenses.

6. Ms. Louise Renne, the City Attorney, reports that as part of the City Attorney's tobacco litigation efforts, the City Attorney's Office has also been taking a lead effort to ensure that the U. S. Congress addresses the concerns and needs of local government, when the Congress considers the proposed national settlement for tobacco litigation. According to Ms. Renne, and as outlined in Attachment 1, the proposed national settlement that is currently pending before Congress was negotiated by a number of State Attorneys General, without the participation of local governments. As a result, the national settlement, as currently proposed, could preempt or hobble local government's enforcement of tobacco controls and would legislatively settle all of San Francisco's pending lawsuits against the tobacco industry without providing for any compensation to San Francisco.

7. In summary, the proposed supplemental appropriation of \$824,009 is being funded from the proceeds from the \$10 million settlement in the RJR tobacco litigation case. However, these funds would be used to reimburse only approximately \$108,835 of the City Attorney's costs from the

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

RJR tobacco litigation case, with the balance of the \$715,174 (\$824,009 total supplemental less \$108,835 FY 1997-98 RJR expenses) from the supplemental appropriation being used to fund City Attorney expenses for two other tobacco litigation cases that the City Attorney's Office is currently pursuing. The City Attorney's Office has expended an additional \$587,380 on these three tobacco litigation cases in FY 1996-97, which was paid by the City's General Fund. If the proposed supplemental appropriation is not approved, the \$824,009 that was received from the settlement would be available for use by the City's General Fund.

As noted above by the City Attorney, Congress is currently considering a proposed national settlement on tobacco litigation which could preempt local government's enforcement of tobacco controls and settle the two pending San Francisco tobacco lawsuits without any compensation to San Francisco. Therefore, the Budget Analyst considers approval of the proposed supplemental appropriation to be a policy matter since continuing to pursue these two tobacco litigation cases, prior to a decision by Congress, could result in the City incurring considerable additional City Attorney expenses, without any future compensation for the City.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY



LOUISE H. RENNE  
City Attorney

OWEN J. CLEMENTS  
Deputy City Attorney

DIRECT DIAL: (415) 554-3944  
FACSIMILE: (415) 554-3837

December 30, 1997

MEMORANDUM

To: Debra Newman, Budget Analyst

From: Deputy City Attorney Owen Clements

Re: Summary of San Francisco's Tobacco Litigation

As you requested, I am submitting a brief description of San Francisco's pending tobacco litigation efforts.

San Francisco and its co-plaintiffs have been involved in three major cases against the tobacco industry: 1) Mangini v. R.J. Reynolds Tobacco Co., S.F. Sup. Ct. No. 939359; 2) People v. Philip Morris, et al., S.F. Sup. Ct. No. 980864; and 3) San Francisco, et al., v. Philip Morris, et al., U.S. Dist. Ct. No. C 96-2090 DLJ.

The Mangini case was originally brought by a private attorney, in an effort to stop R.J. Reynolds' infamous "Joe Camel" advertising campaign. San Francisco intervened in the Mangini action earlier this year. The Mangini case was then resolved in September 1997. Under the terms of the settlement and consolidation agreement, RJR paid \$ 10 million to the cities and counties and entered into an enforceable agreement ending the Joe Camel campaign in California. R.J. Reynolds admitted that the Mangini case was a "substantial factor" in phasing out the Joe Camel campaign nationwide. In return, the private plaintiff's action was dismissed. The claims of the intervening Cities and Counties were consolidated into their state action (People v. Philip Morris), and those claims remain to be litigated in that case.

The People case, presently pending in state court, is much broader than was the Mangini action. The People case is brought by the prosecuting entities on behalf of the People of the State of California, against Philip Morris, R.J. Reynolds, and other large tobacco companies. The People allege that the tobacco industry had been engaged for decades in a pattern of unlawful, unfair, and fraudulent business practices. The industry's misconduct includes targeting minors for illegal sales, deceiving the public about the adverse health effects and addictiveness of tobacco, and manipulating nicotine in order to addict smokers. The People are seeking hundreds of millions of dollars in refunds of ill-gotten profits and civil penalties, as well as state-wide injunctive relief. If successful, the prosecuting entities are also likely to recover their attorneys fees from the defendants. The People case is set for trial on March 1, 1999. Deposition discovery has just begun.

## CITY AND COUNTY OF SAN FRANCISCO

## OFFICE OF THE CITY ATTORNEY



LOUISE H. RENNE  
City Attorney

OWEN J. CLEMENTS  
Deputy City Attorney

DIRECT DIAL: (415) 554-3944  
FACSIMILE (415) 554-3837

December 30, 1997

Defendants have asked to be allowed to take 170 depositions over the next six months. Preparing the People case for trial will be a major undertaking.

The case of San Francisco, et al., v. Philip Morris, et al., is presently pending in federal court. In the federal action, San Francisco and the other counties are seeking to recover the counties' own medical costs of caring for indigent persons and county employees who have been treated for tobacco-related diseases. The defendants' motion to have the federal case dismissed was heard in December. If the Judge denies the motion, the federal case will also move into the discovery phase. Discovery in the federal action may be even more burdensome than in the People case, because the defendants will seek voluminous information relating to the counties' medical costs.

In June of this year a proposed national settlement for tobacco litigation was announced by the tobacco industry and a number of State Attorneys General. In order to become effective, this proposed settlement must be adopted by Congress. Despite the important role played by San Francisco in the tobacco litigation, local governments were excluded from the negotiations that lead up to the proposed national settlement. Therefore, the proposed national settlement negotiated by the State Attorneys General was not drafted with an eye towards many issues of particular concern to local governments. Indeed, the proposal of the Attorneys General would "legislatively settle" San Francisco's suits against the tobacco industry without providing any compensation to San Francisco.

The San Francisco City Attorney's Office has taken a leading role in the effort to see that Congress addresses the concerns and needs of local governments. These lobbying efforts will intensify over the next few months, as Congress begins debate on the proposed tobacco legislation in earnest. Louise Renne is recognized as a leader and spokesperson on these issues, and she has already appeared before Congressional caucuses to discuss the concerns of local governments with the proposed tobacco legislation. I have attached a one page summary of our lobbying goals, which was distributed to Members of Congress in September. I have also attached the resolution of the National League of City's (NLC's) adopting these lobbying goals. This office was instrumental in urging the NLC to adopt this resolution.

Please contact me if I can be of further assistance or if you need any further information.

## **CITIES' AND COUNTIES' CONCERNS REGARDING PROPOSED LEGISLATIVE SETTLEMENT OF TOBACCO LITIGATION**

### **BACKGROUND**

Local governments have been an early, driving force in litigation against the tobacco industry. Beginning with San Francisco in June 1996, at least twenty local governments around the nation — including other cities and counties in California and in New York, Illinois and Alabama — filed suit before the proposed “global settlement” was announced. For example, R.J. Reynolds recently acknowledged that the California cities’ and counties’ lawsuit against its Joe Camel ads was crucial to its decision to end those ads nationwide. RJR also paid the California cities and counties \$10 million to fight youth smoking and agreed to disclose internal company documents about targeting kids.

Local governments were excluded from the talks between the Attorneys General and the tobacco industry leading to the Proposed Resolution. Yet it would kill off local government suits without any compensation to cities and counties and could preempt and hobble local enforcement. Any legislation must address the following issues of critical concern to cities and counties around the nation:<sup>1</sup>

### **DIRECT COMPENSATION TO LOCAL GOVERNMENTS FOR THEIR TOBACCO-RELATED EXPENSES**

- Local governments spend millions on tobacco-related health care separate from state Medicaid Payments. For example, California’s counties spend an estimated \$200 million or more per year to treat tobacco-related diseases of indigents who are not covered by Medicaid or other health insurance, and for employee health care. In addition, many states require their counties to shoulder a portion of state Medicaid costs. In New York State, the counties pay half of the state’s share of Medicaid. In the aggregate, local governments spend over \$26 billion annually to provide health care. A significant portion of these expenses is directly attributable to tobacco-related diseases. The Resolution proposed by the Attorneys General ignores these expenses.
- Any legislation should provide for direct compensation to local governments for these costs. Local governments should not be relegated to the position of supplicants to each of the fifty states.

### **NO PREEMPTION OR HOBBLING OF LOCAL GOVERNMENT TOBACCO CONTROL AND ENFORCEMENT**

- Several provisions of the Proposed Resolution could preempt or hobble enforcement of state and local laws. Any legislation should include clear language specifying that it does not preempt state and local laws.
- Any legislation should also make clear that state laws with tougher remedies for unfair, illegal and deceptive business practices than the remedies provided in national legislation continue to apply to the tobacco industry. For example, California’s consumer protection statutes provide for disgorgement of profits and stiff civil penalties. The tobacco industry should not be granted a special exemption from these provisions.

---

<sup>1</sup> Obviously, the primary objective of any legislation must be to reduce smoking, especially among young people. Public health advocates have raised numerous concerns about whether the Proposed Resolution will be effective in this regard. The Cities and Counties share these concerns.

NATIONAL LEAGUE OF CITIES RESOLUTION #97-16  
TOBACCO SETTLEMENT / RESOLUTION  
Adopted December 6, 1997

Attachment 1  
Page 4 of 4

- WHEREAS, a number of states have negotiated a proposed agreement with major American tobacco product manufacturers; and
- WHEREAS, many provisions of this agreement cannot be carried into force without passage of new federal laws; and
- WHEREAS, the agreement has greatly enhanced the chances that federal laws on tobacco will be seriously considered in Congress; and
- WHEREAS, such federal legislation may reflect the outlines of the agreement or may be narrower or much broader in its provisions;
- NOW THEREFORE BE IT RESOLVED that any federal legislation/agreement on tobacco must contain a direct funding mechanism to compensate local governments for their unique and substantial costs incurred in serving individuals with tobacco-related diseases; and
- BE IT FURTHER RESOLVED that any federal legislation/agreement on tobacco must provide reimbursement to local governments for the tobacco related costs of insuring their employees; and
- BE IT FURTHER RESOLVED that if any designated funds for public health uses, a portion of the funds so designated should be targeted to local government public health departments; and
- BE IT FURTHER RESOLVED that revenues raised by increasing federal tobacco taxes must be earmarked for health services and tobacco control activities; and
- BE IT FURTHER RESOLVED that any federal legislation on tobacco must not preempt stronger state and local tobacco control laws or remedies.

Tobacco Litigation  
City Attorney Estimate  
Fiscal Year 1997-1998

% of Time	Class	Rate9798	EstHours	AttyCost
100%	8181-5	\$ 143.56	1920	\$ 275,638
100%	8180-5	\$ 134.28	1920	\$ 257,827
50%	8180-3	\$ 127.62	960	\$ 122,514
100%	8178-3	\$ 116.07	1920	\$ 222,863
100%	8174-3	\$ 101.15	1920	\$ 194,209
	Total Time			\$1,073,050
	Est Costs			\$ 12,880
	Travel (12 trips @ \$2,000)			\$ 24,000
	Total			\$1,109,930





Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

JAN 08 1998

SAN FRANCISCO  
PUBLIC LIBRARY

Item 6 - File 121-97-10

**Item:** Ordinance amending the Police Code to add Article 33C, Sections 3300C.1 through 3300C.6, to provide for the retention of security, janitorial, building maintenance, and non-professional health care workers when a successor contract is awarded.

**Description:** The proposed ordinance, titled the "Displaced Worker Protection Act," would amend the San Francisco Police Code by adding Chapter 33C to provide for the continued employment of employees of private firms in the event that another private firm is awarded the contract to provide those services to the City or to any other "person," meaning any individual, proprietorship, partnership, corporation, etc.

The proposed ordinance would apply to any contract "awarding authority," defined as any person that awards or otherwise enters into contracts for security, janitorial, building maintenance, or non-professional health care services performed within the City and County of San Francisco.

Therefore, this legislation applies to all businesses which provide services in San Francisco including those businesses which contract with the City, as well as those businesses which do not contract with the City.

The proposed ordinance defines "employee" as any person employed as a service employee of a contractor or subcontractor who works at least 15 hours per week and whose primary place of employment is in San Francisco under a service contract to provide security, janitorial, building maintenance, or non-professional health care worker services. The non-professional health care worker services would apply to services provided in a hospital, skilled nursing facility, or community mental health facility, or as part of a community substance abuse or AIDS program. The proposed ordinance would apply only to service contracts that involve expenditures in excess of \$25,000 per contract and have a contract term of at least three months. For purposes of the proposed ordinance, "employee" would not include a person who (1) is a managerial, supervisory, or confidential employee, including those employees who would

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

be so defined under the Fair Labor Standards Act; or (2) does not possess or has not maintained a required occupational license; or (3) is employed less than 15 hours per week.

The proposed ordinance defines "contractor" as any person that enters into a service contract with an awarding authority and who employs 25 or more persons.

The proposed ordinance contains the following provisions:

### **Transition Employment Period and Hiring Process**

1. Within 10 days of the termination of a service contract, the terminated contractor would be required to provide to the successor contractor, the name, date of hire, and job classification of each employee employed at the site or sites covered by the prospective contractor at the time of contract termination. This provision would also apply to any subcontractors of the terminated contractor.
2. A successor contractor would be required to retain, for a 90-day employment transition period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding eight months or longer at the site or sites covered by the contract.
3. If at any time the successor contractor determines that fewer employees are required to perform the new service contract than were required by the terminated contractor, and subcontractors if any, the successor contractor shall retain employees by seniority within job classification.
4. During the 90-day transition period, the successor contractor, or subcontractor where applicable, shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor or subcontractor from which the successor contractor or subcontractor shall hire additional employees.
5. Except in the instance of the successor contractor determining that fewer employees are required to perform the new service contract, during the 90-day transition period, the successor contractor or subcontractor could not discharge an employee protected under the provisions of this proposed legislation without cause. "Cause" for this purpose



would include but not be limited to the employee's conduct while in the employment of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance. Permissible union-related activity would be specifically excluded as a cause for termination.

6. At the end of the 90-day employment transition period, the successor contractor or subcontractor would complete a written performance evaluation for each employee retained under this proposed employment transition period. If the employee's performance during such 90-day period is satisfactory, the successor contractor or subcontractor would be required to offer the employee continued employment under the terms and conditions established by the successor contractor or subcontractor, or as required by law.

#### **Enforcement**

An employee who has been discharged in violation of this proposed legislation by a successor contractor or subcontractor could sue in the Municipal Court or Superior Court, as appropriate, and may be awarded back pay and costs of benefits. If the employee is the prevailing party in the lawsuit, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

The proposed legislation expressly states that its provisions are not intended to create a private right of action against an awarding authority. According to Mr. Jonathan Holtzman, Deputy City Attorney, the provisions of the proposed legislation are intended to create a private right of legal action (i.e., right to sue) on the part of an aggrieved employee against successor contractors and subcontractors. Mr. Holtzman advises that under the proposed legislation, there is no expressed provision for enforcement by the City. The proposed ordinance only provides for the right of an aggrieved employee to sue in Municipal Court or Superior Court, as appropriate.

#### **Exemption for Successor Contractor's or Subcontractor's Prior Employees**

An employee of a successor contractor or subcontractor who has been continuously employed by such firm for at least

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

eight months prior to the commencement of the successor service contract or subcontract, who is proposed to work on the successor service contract or subcontract in a capacity similar to such prior employment may be exempted from the provisions of this proposed legislation by the awarding authority if the person would otherwise be laid off from work. In such case, the previous contractor's employee would not have the right to the otherwise required employment transition.

**Comments:**

1. As previously noted, the proposed legislation would apply to private "awarding authorities" in addition to applying to the government agency of the City and County of San Francisco "awarding authorities," for contract services within San Francisco.

2. A memorandum from the City Purchaser, Mr. Edwin Lee, concerning the fiscal impact of the proposed legislation is attached to this report. Mr. Lee estimates that one, part-time, program administrator, at an estimated annual cost of approximately \$32,000, including salary and benefits, would be required to administer the proposed "Displaced Worker Protection Act," and that any other costs to the City would be minimal. Such estimated costs pertain only to the costs of administering contracts with the City and County of San Francisco and does not cover administrative costs which may be incurred by private businesses.

3. The requirements of the proposed legislation could increase the bid amounts to the City and County of San Francisco of future contract proposals because businesses could incur increased costs due to the employment transition rights of employees of the previous contractor. However, the amount of such a potential increase, if any, cannot be estimated.

4. As previously noted, Mr. Holtzman advises that under the proposed legislation, there is no expressed provision for enforcement by the City. The proposed ordinance only provides for the right of an aggrieved employee to sue in Municipal Court or Superior Court, as appropriate.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

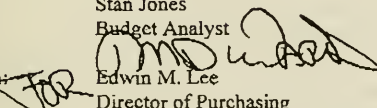
## City and County of San Francisco

## Purchasing Department



December 24, 1997

To: Stan Jones  
Budget Analyst

From:  Edwin M. Lee  
Director of Purchasing

Subject: Possible Impact of "Displaced Worker Protection Act"

In response to your request, I have asked for the Buying Division's review of the subject draft ordinance. Purchasing has no experience with the type of effects this legislation could have on the bidding process. As a result, Purchasing cannot quantify the potential effects of the proposed legislation, but we can identify areas where the City would have more work to do:

1. Maintain a pool of the previous contractor's employees.
2. Possible dispute resolution over who is or is not on the "lists." It's unclear whether the City would have a role in dispute resolution, or whether all disputes would be resolved in court.

These are only possible cost-related items that we can see now, assuming implementation is smooth. Based upon this, we feel the cost would be a part-time program administrator as a start. Otherwise, the cost to the City appears to be minimal.

cc: Steve Nelson  
Bill Lee  
Rebecca Prozan, Mayor's Office



Item 6 - File 121-97-10

**Item:** Ordinance amending the Police Code to add Article 33C, Sections 3300C.1 through 3300C.6, to provide for the retention of security, janitorial, building maintenance, and non-professional health care workers when a successor contract is awarded.

**Description:** The proposed ordinance, titled the "Displaced Worker Protection Act," would amend the San Francisco Police Code by adding Chapter 33C to provide for the continued employment of employees of private firms contracting with the City, in the event that another private firm is awarded the contract to provide those services to the City.

The proposed ordinance defines "employee" as any person employed as a service employee of a contractor or subcontractor who works at least 15 hours per week and whose primary place of employment is in San Francisco under a service contract to provide security, janitorial, building maintenance, or non-professional health care worker services to the City of San Francisco. The non-professional health care worker services would apply to services provided in a hospital, skilled nursing facility, or community mental health facility, or as part of a community substance abuse or AIDS program. The proposed ordinance would apply only to service contracts that involve expenditures in excess of \$25,000 per contract and have a contract term of at least three months. For purposes of the proposed ordinance, "employee" would not include a person who (1) is a managerial, supervisory, or confidential employee, including those employees who would be so defined under the Fair Labor Standards Act; or (2) does not possess or has not maintained a required occupational license; or (3) is employed less than 15 hours per week.

The proposed ordinance defines "contractor" as any person that enters into a service contract with an awarding authority and who employs 25 or more persons.

The proposed ordinance contains the following provisions:

**Transition Employment Period and Hiring Process**

1. Within 10 days of the termination of a service contract, the terminated contractor would be required to provide to the successor contractor, the name, date of hire, and job classification of each employee employed at the site or sites covered by the prospective contractor at the time of contract termination. This provision would also apply to any subcontractors of the terminated contractor.
2. A successor contractor would be required to retain, for a 90-day employment transition period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding eight months or longer at the site or sites covered by the contract.
3. If at any time the successor contractor determines that fewer employees are required to perform the new service contract than were required by the terminated contractor, and subcontractors if any, the successor contractor shall retain employees by seniority within job classification.
4. During the 90-day transition period, the successor contractor, or subcontractor where applicable, shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor or subcontractor from which the successor contractor or subcontractor shall hire additional employees.
5. Except in the instance of the successor contractor determining that fewer employees are required to perform the new service contract, during the 90-day transition period, the successor contractor or subcontractor could not discharge an employee protected under the provisions of this proposed legislation without cause. "Cause" for this purpose would include but not be limited to the employee's conduct while in the employment of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance. Permissible union-related



activity would be specifically excluded as a cause for termination.

6. At the end of the 90-day employment transition period, the successor contractor or subcontractor would complete a written performance evaluation for each employee retained under this proposed employment transition period. If the employee's performance during such 90-day period is satisfactory, the successor contractor or subcontractor would be required to offer the employee continued employment under the terms and conditions established by the successor contractor or subcontractor, or as required by law.

#### **Enforcement**

An employee who has been discharged in violation of this proposed legislation by a successor contractor or subcontractor could sue in the Municipal Court or Superior Court, as appropriate, and may be awarded back pay and costs of benefits. If the employee is the prevailing party in the lawsuit, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

#### **Exemption for Successor Contractor's or Subcontractor's Prior Employees**

An employee of a successor contractor or subcontractor who has been continuously employed by such firm for at least eight months prior to the commencement of the successor service contract or subcontract, who is proposed to work on the successor service contract or subcontract in a capacity similar to such prior employment may be exempted from the provisions of this proposed legislation by the awarding authority if the person would otherwise be laid off from work. In such case, the previous contractor's employee would not have the right to the otherwise required employment transition.

#### **Comments:**

1. A memorandum from the City Purchaser, Mr. Edwin Lee, concerning the fiscal impact of the proposed legislation is attached to this report. Mr. Lee estimates that one, part-time, program administrator, at an estimated annual cost of approximately \$32,000, including salary and benefits, would be required to administer the proposed "Displaced Worker Protection Act," and that any other costs to the City would be minimal.

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

2. The requirements of the proposed legislation could increase the bid amounts of future contract proposals because proponents could incur increased costs due to the employment transition rights of employees of the previous contractor. However, the amount of such a potential increase, if any, cannot be estimated.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

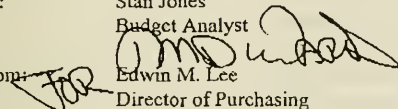
## City and County of San Francisco

## Purchasing Department



December 24, 1997

To: Stan Jones  
Budget Analyst

From:  Edwin M. Lee  
Director of Purchasing

Subject: Possible Impact of "Displaced Worker Protection Act"

In response to your request, I have asked for the Buying Division's review of the subject draft ordinance. Purchasing has no experience with the type of effects this legislation could have on the bidding process. As a result, Purchasing cannot quantify the potential effects of the proposed legislation, but we can identify areas where the City would have more work to do:

1. Maintain a pool of the previous contractor's employees.
2. Possible dispute resolution over who is or is not on the "lists." It's unclear whether the City would have a role in dispute resolution, or whether all disputes would be resolved in court.

These are only possible cost-related items that we can see now, assuming implementation is smooth. Based upon this, we feel the cost would be a part-time program administrator as a start. Otherwise, the cost to the City appears to be minimal.

cc: Steve Nelson  
Bill Lee  
Rebecca Prozan, Mayor's Office



Item 7 -File 172-97-19

**Department:** Department of Public Transportation  
Port Commission

**Item:** Ordinance approving the Third Amendment to the Advertising Transit Shelter Agreement by and between the City and County of San Francisco, (through the Department of Public Transportation and the Port Commission), and Outdoor Systems, Inc. to maintain MUNI Metro extension and F-Line boarding platforms in exchange for advertising on the platforms and to expand the transit shelter program.

**Description:** In June of 1987, the Board of Supervisors approved an Agreement (Agreement) (Ordinance No. 208-87) between Gannett Outdoor Company, Inc. of Northern California and the City for the period from June of 1987 until June of 2002 (15 years) for the placement and maintenance of commercial and noncommercial transit shelters throughout San Francisco. A commercial transit shelter is a shelter which displays commercial advertising for profit, while a noncommercial transit shelter contains no displays and are primarily located in residential neighborhoods.

On January 5, 1990, the City approved the First Amendment to the Agreement, which added the Market Street shelters to the Agreement. On March 12, 1991, the City approved an assignment of the Agreement from Gannett to Combined Communications Corporation (CCC), due to the acquisition of Gannett by CCC.

On November 18, 1994, the City approved the Second Amendment to the Agreement, which (1) required CCC to maintain the high-level boarding platform on 19th Avenue at Stonestown in exchange for permitting CCC to place advertising on that platform, and (2) permitted CCC to place advertising kiosks on Upper Market Street in conjunction with the shelters on the median boarding islands.

On January 3, 1997, the Board of Supervisors approved the assignment of the Agreement from CCC to Outdoor

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

Systems, Inc., due to acquisition of CCC by Outdoor Systems, Inc.

On January 31, 1997, the Board of Supervisors approved an amendment to the General Plan (File 271-96-4) and Planning Code Section 603(j) (File 115-96-8) to allow commercial advertising on transit shelter boarding platforms on the Embarcadero and at Fisherman's Wharf. At that time, the Board also approved a negative declaration under the California Environmental Quality Act (CEQA) covering the expansion of the transit shelter program (File 115-96-8.2).

This proposed ordinance would approve the Third Amendment to the Agreement. The proposed Amendment contains the following major provisions:

(1) The Port Commission would grant the Public Transportation Commission the right to erect City-owned transit shelters for public transit purposes on the MUNI Metro Extension (MMX) Line, which will extend from the Embarcadero Station to King Street and the F-Line platforms, which will extend from the Embarcadero Station to Fisherman's Wharf. Under the proposed Agreement, the Port Commission would grant Outdoor Systems, Inc. the exclusive right to maintain all of these new MMX and F-Line advertising shelters on Port property. The Port would retain various specific approval rights, relocation options, indemnity protections and remedies if Outdoor Systems, Inc. should default.

(2) The City will construct four MMX platforms or transit stations, along the South Embarcadero and King Streets. Outdoor Systems, Inc. will: (a) contribute an average of up to \$45,000 toward construction of the shelter amenities (seating, trash receptacles, advertising display panels, MUNI map and information displays, etc.) on each of the four MMX platforms, or a total one-time maximum contribution of \$180,000; (b) be permitted to advertise on the high-level boarding platforms on the MMX line; and (c) will assume maintenance and repair responsibilities for these MMX shelters and amenities.

(3) The City will construct up to 22 stops on median boarding islands along the F-Line on the North

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Embarcadero and Fisherman's Wharf. Outdoor Systems, Inc. will (a) contribute a minimum of \$14,000 toward the cost of constructing each of the up to 22 shelters, or a contribution of approximately \$308,000; (b) be permitted to advertise on the median boarding islands' shelters; and (c) will assume maintenance and repair responsibilities for these F-Line shelters and amenities.

(4) According to Mr. Lew Lillian of Outdoor Systems, Inc, the current contract requires a minimum of 800 transit shelters and a maximum of 1,000. There are presently approximately 1,000 transit shelters installed throughout the City. The minimum number of transit shelters throughout the City would increase from 800 to 1,100 and the maximum number of shelters would expand from 1,000 to 1,250, if this Amendment is approved. Outdoor Systems, Inc. must install the 1,100 minimum shelters, (or 100 more shelters than currently installed) within one year of approval of this Third Amendment. According to Mr. Peter Straus of MUNI, the Agreement with Outdoor Systems, Inc. was developed to encourage Outdoor Systems, Inc. to provide the maximum number of transit shelters, by providing additional advertising revenue opportunities to Outdoor Systems, Inc, which in turn provides additional transit shelter capital and maintenance services to the City.

(5) The City would grant to Outdoor Systems, Inc. the exclusive right to erect and maintain kiosks containing advertising, in conjunction with specific transit shelters, for which physical limitations preclude advertising on the boarding islands. Outdoor Systems would be limited to a maximum total of 150 kiosks. It is estimated that Outdoor Systems currently has 34 kiosks, located primarily on Market Street, according to Mr. Lillian.

(6) Under the proposed Agreement, beginning June 10, 1997, for every additional shelter constructed over the current 1,000 shelters, the Public Transportation Commission will receive from Outdoor Systems, Inc. approximately \$200 annually (See Comment No. 7 below). According to Ms. Robin Reitzes of the City Attorney's Office, although the date of June 10, 1997 is included in the proposed Agreement, the proposed ordinance does not need to be retroactive to that date because Outdoor

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

Systems, Inc. cannot install more than the current maximum of 1,000 shelters and the City can therefore not receive any additional payments until the proposed ordinance is approved by the Board of Supervisors and the Mayor. These increased annual payments may continue to be used to cover MUNI's administrative costs to administer this contract. A new provision would also enable the Public Transportation Commission to use these revenues to support bus stop maintenance, sign programs or related programs to enhance MUNI patrons' convenience. According to Mr. Straus, in Fiscal Year 1996-97, MUNI received approximately \$100,000 in revenue from the transit shelters from Outdoor Systems, Inc., which Mr. Straus reports is approximately the ongoing cost to administer this contract (See Comment No. 7 for additional breakdown of these revenues).

(7) Outdoor Systems, Inc. would also pay to MUNI the following amounts annually for MUNI's marketing purposes, including but not limited to advertising, public relations and promotion of MUNI to the public and to news media organizations:

<u>Contract Years</u>	<u>Annual Amount</u>
1997-98 through 2001-02	\$100,000
2002-03 through 2004-05	125,000
2005-06 through 2006-07	150,000

(8) Outdoor Systems, Inc. has agreed to prohibit all tobacco advertising for all shelters and kiosks effective 120 days after approval of the Third Amendment, to limit alcohol advertising to a maximum of ten percent of available advertising on the MMX and F-Line shelters, to prohibit alcohol advertising in the vicinity of schools and to negotiate with community groups in the South Bayshore to restrict alcohol advertising there. Currently, Outdoor Systems, Inc. has no restrictions on tobacco or alcohol advertising. It should be noted that the Board of Supervisors recently approved a prohibition on tobacco advertising in San Francisco (File 121-95-10), which becomes effective in six months.

(9) At least twice a year, Outdoor Systems, Inc. will design, furnish and install at least 30 posters as part of a public service campaign to promote the Port, its tenants and special events. Each public service campaign will be installed on available space in the City and Bay Area advertising shelters, with the majority of the posters placed within the City. Each of the two public service campaigns would last at least four weeks. Mr. Lew Lillian of Outdoor Systems, Inc. estimates that the cost to Outdoor Systems to provide these public service campaigns for the Port is approximately \$40,000 per year.

(10) Outdoor Systems, Inc. will bring all shelters into compliance with the Americans With Disabilities Act (ADA) by June 30, 1998. Under the proposed Agreement, Outdoor Systems, Inc. must also comply with all existing San Francisco ordinances, such as prohibiting business with Burma and complying with the Equal Benefits Ordinance. In addition, Outdoor Systems, Inc. has agreed to pay prevailing wages to its employees and subcontractors. According to Mr. Brian Cheu of the Human Rights Commission, Outdoor Systems, Inc. has not been certified for compliance with the City's Equal Benefits Ordinance. However, Outdoor Systems, Inc. has submitted some of the documentation for compliance with the Equal Benefits Ordinance. Therefore, the proposed ordinance should be amended such that approval would be subject to certification by the Human Rights Commission.

(11) At MUNI's request, pay telephones in the shelters will be equipped with free programmed single-key access to MUNI's passenger information lines and the maximum number of telephones in shelters City-wide will increase from 300 to 400 by June 30, 1998. According to Mr. Jake Szeto of the Department of Public Works (DPW), Outdoor Systems, Inc. has an agreement with Pacific Bell, through which Pacific Bell pays the City 20 percent of total revenues or \$50 per month for each telephone, whichever is greater. Mr. Szeto reports that Pacific Bell will pay the City approximately \$200,000 in FY 1997-98, based on the revenues from the approximately 300 telephones in these transit shelters. Based on the proposed additional maximum of 100 telephones, Mr. Szeto reports that the

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

City will receive a minimum of an additional \$60,000 (100 telephones x \$50 per month x 12 months) annually.

(12) As under the current Agreement, provided that there is available space and Outdoor Systems, Inc. obtains approval from Hetch Hetchy's Bureau of Light, Heat and Power, Outdoor Systems, Inc. may continue to use City-owned street lighting conduit. Under this arrangement, Outdoor Systems, Inc. will continue to pay Pacific, Gas & Electric (PG&E) for electric power, but may avoid unnecessary trenching and patching of streets to access the necessary conduit, which would be a benefit to both Outdoor Systems, Inc. and the City. Outdoor Systems, Inc. will also install sufficient conduit to make all new, illuminated shelters capable for installation of infrared transmitters (i.e., Talking Signs) that provide transit information to the blind. Outdoor Systems, Inc. would supply \$5,000 worth of such transmitters to the City each year, perform installation and maintenance on these transmitters and any others that the City might obtain from other sources and assume the associated costs of electricity for operation of the transmitters.

(13) A new provision states that within 30 days of the execution of this Agreement, Outdoor Systems will provide the Mayor's Office with a one-time \$50,000 payment, which the Mayor's Office shall use for the benefit of the City. According to Mr. Steve Kawa of the Mayor's Office, the intended use for the \$50,000 one-time payment from Outdoor Systems would be for the Mayor's Homeless Fund, Youth Fund or Summer Employment Youth Fund. According to Mr. Ed Harrington of the Controller's Office, the proposed \$50,000 one-time payment would be subject to the Board of Supervisors approval.

(14) As previously noted, the Agreement is scheduled to expire in June of 2002. The Agreement would be extended approximately five years (until June 9, 2007). However, beginning the 15th year of the Agreement (or in May, 2002), the City has two options to terminate the Agreement by (1) giving Outdoor Systems, Inc. one year's notice and paying Outdoor Systems, Inc. the unamortized costs of the shelters, kiosks and equipment; or (2) if the City has contracted with another contractor to provide



coordinated street furniture, to give one year's notice of termination to Outdoor Systems and assign this transit shelter Agreement to the coordinated street furniture contractor, provided that the street furniture contractor pays Outdoor Systems the unamortized costs of the shelters, kiosks and equipment and the capital contribution less depreciation of the construction of the MMX and F-Line shelters. As stated in the proposed Agreement, Outdoor Systems would be able to compete on a non-preferential basis in any future selection process for a coordinated street furniture contractor. According to Mr. Jim Lowe' of the Public Transportation Department, and confirmed by Mr. Lillian, a rough estimate of the cost to the City to fulfill the first option, if the Agreement were terminated in 2002, could be upwards of several million dollars.

(15) The City will negotiate with Outdoor Systems, Inc. regarding any future program for the construction, maintenance and repair of any transit shelters and boarding platforms planned for the Third Street light rail line, in exchange for advertising on these platforms and shelters.

**Comments:**

1. The current Agreement specifies that Outdoor Systems, Inc. will provide and maintain one noncommercial bus shelter for every two commercial bus shelters. Therefore, according to Mr. Lowe, of the total 1,000 existing bus shelters currently in the City, 667 have advertising on the sides of the bus shelters and 333 are non-commercial bus shelters. Under the proposed Third Amendment, this same ratio of two commercial shelters to one noncommercial shelter would be maintained. Therefore, of the total maximum of 1,250 bus shelters, 834 would have advertising and the remaining 416 would be non-commercial bus shelters.

2. Outdoor Systems, Inc. would indemnify the City for all injuries and damages resulting from the work under the proposed amended Agreement. Under the current Agreement, Outdoor Systems, Inc. maintains a \$350,000 letter of credit. Under the proposed Amendment, Outdoor Systems will have to deliver a \$500,000 performance bond to support construction and maintenance of the additional shelters and maintain an additional \$500,000 letter of

credit. Ms. Reitzes reports that the letter of credit was increased due to the additional shelters and increased maintenance for which Outdoor Systems, Inc. will be responsible.

3. In accordance with the proposed Amendment, Outdoor Systems, Inc. would be permitted to display advertising on both sides of each double-sided freestanding display case on the MMX platform. No advertising could exceed 24 square feet, or six feet in height and four feet in width. The Port will have a right of first refusal for any unsold advertising space on the MMX platforms, for use for information and public service announcements, at no additional cost to the Port.

4. For all existing and new transit shelters, including the F-Line shelters, the proposed Amendment would continue the current provisions, which limit Outdoor Systems, Inc. to using the side wall furthest from approaching transit vehicles, the back panel or outside side wall to display their advertising material. These requirements are intended to conform to the final design for the Waterfront Transportation Project. Unless authorized in advance by the Director of Public Transportation in writing, Outdoor Systems, Inc. would not be permitted to display advertising on the end wall closest to the approaching transit vehicle. No advertising panel could exceed 24 square feet, or six feet in height and four feet in width.

All of the existing and new 3-sided kiosks must be located no more than 50 feet from the associated transit shelter. The two street-facing sides of the kiosk may display commercial advertising, while the side of the kiosk facing away from the street is not permitted to contain commercial advertising.

5. Under the proposed Amendment, the Port Commission would determine which sites along the F-line on the North Embarcadero and Fisherman's Wharf would be available for commercial advertising. The exact number of shelters has not yet been determined, although Mr. Lowe reports that there would be a maximum of 22 shelters.

6. Under the current Agreement, the City does not receive any direct advertising revenues from the bus shelter



Agreement. Instead, Outdoor Systems, Inc. is responsible for installing and maintaining the bus shelters in exchange for receiving all of the advertising revenues.

7. However, under the current provisions of the Agreement, Outdoor Systems, Inc. pays the City a base payment of \$150,000, indexed annually to increase with changes in the CPI index. As a result, the City currently receives approximately \$200,000 annually. Given that there are currently 1,000 shelters, the City receives approximately \$200 per shelter per year.

Under the proposed provisions, the base payment of \$150,000, adjusted by the CPI (currently \$200,000) would then be divided by the number of transit shelters (currently 1,000) and then multiplied by the actual number of shelters (proposed to increase to a maximum of 1,250). Under these new provisions, if all 1,250 transit shelters were currently installed, the City would receive \$250,000, based on approximately \$200 per shelter, or \$50,000 more than the current Agreement provides.

These annual revenues are currently divided equally between the Municipal Railway and the Art Commission's Youth Art Fund. Under the proposed Amendment, the Art Commission would continue to receive one-half of the current amount, adjusted by the CPI. The Municipal Railway would receive the current amount, adjusted by the CPI, plus the incremental increase as a result of the new formula. Therefore, as in the example above, the City received \$250,000, the Art Commission would receive \$100,000 (the same amount that they currently receive) and the Municipal Railway would receive \$150,000. In addition, as part of a prior amendment for the Market Street transit shelters, the Art Commission's Market Street Art Maintenance Fund receives approximately an additional \$70,000 annually from Outdoor Systems, Inc.

8. The maintenance services to be provided by Outdoor Systems, Inc. would include (a) trash pick-up, (b) replacement of defective lights and broken glass, (c) cleaning and washing of each transit shelter and (d) removal of all graffiti, stickers, posters, litter, dust, dirt and weeds from each transit shelter and from a five foot radius surrounding the shelter.

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

Mr. Lillian reports that Outdoor Systems, Inc. currently expends approximately \$1.0 million annually for maintenance. Under the proposed Agreement, Mr. Lillian estimates that Outdoor Systems, Inc. annual maintenance costs will be approximately \$1.2 million.

9. In summary, the proposed Third Amendment to the Outdoor Systems, Inc. Agreement to expand the transit shelter program would result in the following one-time and annual revenues to the City:

One-time Revenues

\$180,000	One-time contribution by Outdoor Systems for construction costs for MMX shelters
\$308,000	One-time contribution by Outdoor Systems for construction costs for F-Line shelters
<u>50,000</u>	One-time contribution by Outdoor Systems to Mayor's Office
\$538,000	Total One-time payments by Outdoor Systems to City

Annual Revenues

\$200,000 to \$250,000	Annual payments by Outdoor Systems for MUNI administrative costs and for Art Commission
260,000	Estimated annual payments by Outdoor Systems from telephone revenues to DPW
5,000	Value of transmitters provided annually to City
<u>100,000 to 150,000</u>	Annual payments by Outdoor Systems for MUNI marketing functions
\$565,000 to \$665,000	Total Annual payments by Outdoor Systems to City

In addition to the above identified one-time and annual revenues, if the proposed Agreement is approved, the City will receive: (1) installation and maintenance for up to an additional 250 transit shelters and four high-level platform stations; (2) liability protection on these platform stations; (3) free public service campaigns for the Port, its tenants and special events on the advertising shelters; (4) up to an additional 100 telephones in the shelters; and (5) installation and maintenance of shelter transmitters for "Talking Signs". In return, Outdoor Systems receives (1) the advertising rights and revenues on all of these transit shelters and related kiosks, subject to the limitations outlined in the proposed Agreement; and (2) a five-year extension of the contract, assuming neither of the two termination options are exercised. According to Mr. Straus, the only cost to the City is the administrative cost to oversee the proposed Agreement, a cost which is covered by the revenues paid by Outdoor Systems, Inc. to the City, as shown above.

**Recommendations:** Amend the proposed ordinance, to be subject to certification for compliance with the City's Equal Benefits Ordinance, by the Human Rights Commission.

Approve the proposed ordinance, as amended.



Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

Items 8 and 9 - Files 101-97-38 and 102-97-13

**Department:** Department of Public Health (DPH)

**Item:** **Item 8, File 101-97-38:** Ordinance appropriating \$422,810 to fund ambulatory health and mental health care services at the new Treasure Island jail facility and for the creation of 9.0 FTE new positions in the DPH – Community Health Services budget for FY 1997-98.

**Item 9, File 102-97-13:** Ordinance amending the FY 1997-98 Annual Salary Ordinance to reflect the creation of 9.0 FTE new positions in the DPH – Community Health Service.

**Amount:** \$422,810

**Source of Funds:** General Fund Reserve

**Description:** On November 3, 1997, the Board of Supervisors approved a supplemental appropriation in the amount of \$1,699,955 to fund the costs associated with the staffing, operation and capital improvement of the Naval Brig on Treasure Island. The Naval Brig will be used by the Sheriff's Department to house an average daily occupancy of 130 to 140 prisoners beginning on February 1, 1998, who would otherwise be housed at Jail No. 3 in San Bruno, as part of an effort to relocate as many inmates as possible in response to a ruling of the United States District Court that Jail No. 3 has seismic and fire safety defects which breach the constitutional protections of inmates. The Sheriff's Department also plans to transfer 100 additional inmates from Jail No. 3 to four other existing jails—County Jails 1 (850 Bryant Street, 6<sup>th</sup> floor), 2 (850 Bryant Street, 7<sup>th</sup> Floor), 7 (San Bruno, next to Jail #3), and 8 (425-7<sup>th</sup> Street).

The Forensics Division of the Community Health Network is the primary health care provider for the City's criminal justice system and currently provides health and mental health care to all jail facilities. According to Mr. Frank Patt of the Forensics Division, Forensics will serve the 140 new inmates at Treasure Island as well as the increased population at the four jails (County Jails #1, 2, 7 and 8). DPH is now requesting a supplemental appropriation in the amount of \$422,810 for the salaries and fringe benefits,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

expansion of a professional services contract with the Haight-Ashbury Free Clinics, Inc. for jail psychiatric services, equipment (see Attachment 1 for a list of equipment), telecommunications services, and start-up costs.

File 102-97-13 would amend the Annual Salary ordinance to create 9.0 FTE new positions, as follows:

FTE	Class	Title	Step 1	Step 5
			Biweekly- <u>Annual</u>	Biweekly- <u>Annual</u>
1.0	1426	Sr. Clerk Typist	\$1,223-\$31,920	\$1,481-\$38,654
0.6	2232	Sr. Physician Specialist	\$3,446-\$89,941	\$4,188-\$109,307
0.2	2409	Pharmacy Technician	\$1,642-\$42,856	\$1,994-\$52,043
1.0	2587	Health Worker III	\$1,333-\$34,791	\$1,615-\$42,152
1.0	2736	Porter	\$1,123-\$29,310	\$1,359-\$35,470
5.0	2320	Registered Nurse	\$2,041-\$266,350	\$2,386-\$311,373
0.2	2328	Nurse Practitioner	<u>\$2,319-\$60,526</u>	<u>\$2,904-\$75,794</u>
		Subtotal-Salaries	\$555,694	\$664,793
		Fringe Benefits (20%)	<u>111,139</u>	<u>132,959</u>
9.0		Total	\$666,833	\$797,752

As shown above, the annual cost of the requested new 9.0 FTEs would range from \$666,833 at Step 1, including salaries of \$555,694 and fringe benefits of \$111,139, to \$797,752 at Step 5, including salaries of \$664,793 and fringe benefits of \$132,959.

**Budget:**

The budget for the requested supplemental appropriation is as follows:

Staff Positions (9.0 new FTEs)		
Salaries	\$240,225	
Fringe Benefits @ 20 percent	48,045	
Premium Pay	<u>18,410</u>	
Subtotal		\$306,680
Professional Services--Haight-Ashbury Free Clinics, Inc. (See Comment #2)		
Equipment (See Attachment 1)		63,320
Services of Other Departments (See Comment #3)		<u>20,000</u>
Total		<b>\$422,810</b>

According to Mr. Frank Patt of the Forensics Division, all expenses assume that the Treasure Island jail facility will open on February 1, 1998 with the exception of (1) estimates for nursing staff salaries and fringe benefits, and (2) the Professional Services contract with Haight-Ashbury Free



Clinics, Inc. which assume six months of expense, from January 1, 1998 through June 30, 1998 to include one month of training for personnel.

**Comments:**

1. Mr. Patt advises that, of the requested 9.0 FTEs, 4.0 FTE new Registered Nurse positions are requested to staff the Treasure Island jail facility and 1.0 FTE new Registered Nurse positions will provide additional health care services at the existing jail facilities that will have increased inmate populations. In addition, Mr. Patt reports that 4.4 FTE Registered Nurse positions will be transferred from Jail No. 3 for a total of 8.4 FTE Registered Nurse positions at the Treasure Island jail facility. According to Mr. Patt, this will provide for 2 Registered Nurses per 8-hour shift, 7 days per week, 24 hours per day.

The proposed supplemental appropriation request also provides for the following new positions to staff the Treasure Island jail facility: one 0.6 FTE Sr. Physician Specialist; one 0.2 FTE Pharmacy Technician; one 0.2 FTE Nurse Practitioner; one 1.0 FTE Sr. Clerk Typist position for clerical support; one 1.0 FTE Porter for cleaning the facility; one 1.0 FTE Health Worker III to provide prevention and testing services.

Attachment 2, provided by DPH, is a comparison of costs to provide health and mental health care with the existing six county jails under the proposed Treasure Island jail facility staffing plan. The chart shows that costs per inmate per day for the county jails which provide ambulatory care (the type of care to be provided at the Treasure Island jail facility) currently range from \$6.87 to \$9.09. The Treasure Island jail facility would have the highest cost, at \$11.08 per inmate per day.

Attachment 3, provided by DPH, is a comparison of nursing staff per inmate at each of the county jails. As shown on the chart, staffing ratios range from 13.4 to 25.5 inmates per nursing staff. The Treasure Island jail facility would have the second highest nursing staffing ratios with one nursing staff person to every 16.7 inmates, second only to County Jail #8, with a ratio of one nursing staff to every 13.4 inmates, where the most seriously ill inmates are housed.

Dr. Joe Goldenson of the Forensics Division advises that costs per inmate and nurse staffing ratios are estimated to be high on Treasure Island due to lower economies of scale for the smaller and geographically isolated Treasure Island jail facility. Dr. Goldenson advises that in the event of a medical emergency at existing jail facilities, medical staff can be relocated from nearby facilities on short notice. However, due to the Treasure Island facility's isolation, it requires more on-site staff to provide both routine and emergency services. Also, according to Dr. Goldenson, ambulances may be delayed by Bay Bridge traffic congestion so on-site staffing levels must be sufficient to care for critically ill inmates until they can be transferred to San Francisco General Hospital.

2. The requested supplemental appropriation will fund the expansion of an existing contract with the Haight-Ashbury Free Clinics, Inc. a non-profit service provider, which currently has a professional services contract with DPH in the amount of \$2,858,826 to provide psychiatric services at the City's six jails. Under the proposed ordinance, this contract would be increased by \$63,320, or 2.2 percent, to provide such services at the Treasure Island jail facility from January 1, 1998 through June 30, 1998. The contract includes one month of staff training prior to the opening of the facility. According to Dr. Goldenson, on an annualized basis the cost of the Haight-Ashbury Free Clinics, Inc. contract at Treasure Island would be \$126,640. The budget for the \$63,320 expanded contract with the Haight-Ashbury Free Clinics, Inc. is as follows:

Salaries (2.6 staff at \$18,000 each for 6 mos.)	\$ 46,800
Fringe Benefits (23 percent)	10,764
Indirect Costs (10 percent)	<u>5,756</u>
Total	\$63,320

3. The requested supplemental appropriation contains \$20,000 for Services of Other Departments. According to Mr. Patt, estimated one-time installation costs for a voice and data communications system, including five phone lines and three data lines (8 lines at \$1,500 each) would cost \$12,000; and ongoing services by the Department of Telecommunications and Information Services would total \$2,500 for six months; for a total of \$14,500. Therefore the

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

budget for Services to Other Departments should be reduced by \$5,500, from \$20,000 to \$14,500.

4. In October of 1997, DPH reported estimated salaries and fringe benefits costs for the proposed Forensics Services at Treasure Island to the Budget Analyst. A comparison of the previously reported estimated salaries and fringe benefit costs for FY 1998-99 (the first year of full operation) to the subject request (calculated on an annualized basis) are as follows:

	<u>FY 1998-99</u>	
	Reported to Finance Committee <u>10/97</u>	Current <u>Request</u>
DPH Forensics Personnel*	\$826,141	\$778,090

\* Includes Professional Services Contract with Haight-Ashbury Free Clinics, Inc.

As shown above, on an annualized basis, the proposed supplemental appropriation is \$48,051, or approximately 6 percent, less than the earlier estimate provided to the Budget Analyst.

5. Sgt. Edwin James of the Sheriff's Department reports that due to delays in renovating the Treasure Island jail facility and staff hiring, the facility is now scheduled to open on April 1, 1998, but may be subject to further delays. Therefore, to reflect the new projected opening date of April 1, 1998, the proposed supplemental appropriation ordinance should be reduced as follows (1) reduce Salaries by \$80,075 from \$240,225 to \$160,150; (2) reduce Fringe Benefits by \$16,015, from \$48,045 to \$32,030; (3) reduce Premium Pay by \$6,137, from \$18,410 to \$12,273; (4) reduce Professional Services by \$21,107 from \$63,320 to \$42,213; (5) reduce Services of Other Departments by \$833, and by \$5,500 for actual costs as noted in Comment No. 3, for a total reduction of \$6,333, from \$20,000 to \$13,667. In total, the supplemental appropriation request should be reduced by \$129,667, from \$422,810 to \$293,143.

Due to uncertainty over when the Treasure Island jail facility will open, the entire recommended amount of \$293,143 should be placed on reserve pending notification by the Sheriff's

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

Department of a more certain opening date of the Treasure Island jail facility.

6. The subject ordinance amending the Annual Salary Ordinance (File 102-97-13) contains a clerical error omitting two part time positions. The ordinance should be amended to add one .20 FTE 2409 Pharmacy Technician and one .20 FTE Nurse Practitioner.

- Recommendations:**
1. Reduce the supplemental appropriation (File 101-97-38) by \$129,667, from \$422,810 to \$293,143 as detailed in Comment No. 5 above.
  2. Reserve the remaining amount of \$293,143 pending notification by the Sheriff's Department of a more certain opening date for the Treasure Island jail facility.
  3. Amend the proposed ordinance (File 102-97-13) to add one .20 FTE 2409 Pharmacy Technician and one .20 FTE 2328 Nurse Practitioner to correct for a clerical error.
  4. Approve the proposed ordinances, as amended.

**SUPPLEMENTAL  
EQUIPMENT DETAIL  
FORENSICS/  
TREASURE ISLAND**

**ANNUALIZED AND  
5 MO COST THE SAME**

Equipment Item	Quantity	Cost/Unit	Total Cost
Computer w/Modem	2	\$ 2,500	\$ 5,000
Laser Printer	1	\$ 2,000	\$ 2,000
Sphygmomanometer	1	\$ 175	\$ 175
IVAC	1	\$ 385	\$ 385
Gurney	1	\$ 1,500	\$ 1,500
Wheelchair	1	\$ 800	\$ 800
Emergency Cart w/Portable Suction	1	\$ 1,200	\$ 1,200
Medication Cart	1	\$ 1,000	\$ 1,000
EKG Cart	1	\$ 250	\$ 250
Digital Weight Scale	1	\$ 535	\$ 535
Exam Table w/Stirrups	1	\$ 2,000	\$ 2,000
Plain Paper Fax Machine	1	\$ 950	\$ 950
4 Drawer Lockable File Cabinet	1	\$ 500	\$ 500
Magnetic Board	1	\$ 65	\$ 65
Blood and Urine Centrifuge	1	\$ 1,200	\$ 1,200
Computer Work Stations	2	\$ 2,000	\$ 4,000
Ergonomic Chair	2	\$ 274	\$ 548
Physician's Stool	1	\$ 282	\$ 282
Waiting Chair	2	\$ 290	\$ 580
Clock w/Sweep Second Hand	2	\$ 27	\$ 54
Suspended Privacy Curtain	1	\$ 200	\$ 200
Halogen Head Lamp w/Transformer	1	\$ 303	\$ 303
HemoCue	1	\$ 900	\$ 900
Incubator	1	\$ 780	\$ 780
Microscope	1	\$ 4,000	\$ 4,000
Narcotics Cabinet	1	\$ 200	\$ 200
Nebulizer	1	\$ 300	\$ 300
Pask Flow Meter	1	\$ 800	\$ 800
Ophthalmoscope	1	\$ 462	\$ 462
Refrigerator	2	\$ 650	\$ 1,300
Doppler	1	\$ 541	\$ 541
<b>TOTAL</b>			<b>\$ 32,810</b>

Department of Public Health  
Community Health Network  
Health & Mental Health Care Costs at County Jails

Facility	Location	Avg Daily Inmate Pop.(1)	Nursing Costs Per Day (2)	Costs Per Inmate	Estimated Costs (3)	Description of Service
<u>Existing Jail Facilities</u>						
County Jail 1	850 Bryant, 6th Fl.	326	\$2,240	\$6.87	\$2,980,100	Ambulatory care
County Jail 2	850 Bryant, 7th Fl.	348	2,522	7.25	2,366,400	Ambulatory care
County Jail 3	San Bruno	424	3,854	9.09	3,453,400	Ambulatory care
County Jail 7	San Bruno	329	2,685	8.16	2,300,700	Ambulatory care
County Jail 8	425 7th St	413	5,565	13.47	5,113,700	Medical & dental facility
County Jail 9	425 7th St	-	-	-	2,410,400	Initial health screening & treatment
					<u>\$18,624,700</u>	
<u>New Jail Facility</u>						
Treasure Island	U.S. Naval Brig	140	\$1,551	\$11.08	\$1,000,000	Ambulatory care
Total					<u>\$19,624,700</u>	

(1) Average daily inmate population per Sheriff's Dept. County Jail 9 intake facility has no inmates housed on site

(2) Based on RN cost per day per Forensics Services.

(3) Estimated costs for existing facilities are based on the proportion of nursing staff cost for each facility. Estimated costs for existing facilities are the total FY 97-98 appropriation for Forensics Services less \$691,300 for the rape treatment program that is not a jail service. Estimated cost for the new Treasure Island facility is based on the incremental cost of operation.



Department of Public Health  
Community Health Network  
Health Care Staffing at County Jails

<u>Facility</u>	<u># Inmates</u>	<u>Nursing Staff</u>	<u>Nursing Staff per Inmate</u>
CJ 1	326	18.1	18.0
CJ 2	348	14.6	23.8
CJ 3	424	19.8	21.4
CJ 7	329	12.9	25.5
CJ 8	413	30.8	13.4
TI	140	8.4	16.7



Items 10 and 11 – Files 101-97-40 and 102-97-15

**Department:** Department of Public Health (DPH)

**Item:** **Item 10, File 101-97-40:** Ordinance appropriating \$189,738 to fund additional patient care hours and for the creation of 5.24 new positions at the Department of Public Health – San Francisco General Hospital (SFGH) for FY 1997-98.

**Item 11, File 102-97-15:** Ordinance amending the FY 1997-98 Annual Salary Ordinance to reflect the creation of 5.24 new positions at the Department of Public Health – San Francisco General Hospital (SFGH).

**Amount:** \$189,738

**Source of Funds:** Salary and Benefits General Fund Reserve

**Description:** In June of 1997, the Board of Supervisors approved a MOU for Registered Nurses between the City and the Service Employees International Union Local 790 (SEIU) (File 265-97-2). Under the new contract, an increase of 1.0 care hours per patient per day is mandated for the Unit 4B-Step Down nursing unit at SFGH. The Unit 4B-Step Down nursing unit cares for patients whose needs are rated just below those requiring intensive care.

According to Ms. Gene O'Connell, Director of Patient Care Services and Chief Operating Officer of SFGH, hour of direct care per patient day is the unit by which the hospital calculates its nurse staffing requirements. In the Unit 4-B Step Down nursing unit, the required number of hours of care per patient per day under the current staffing model is 9. The new contract requires 10 hours of care per patient per day for each patient. The current year budgeted positions for Registered Nurses and Licensed Vocational Nurses in the Unit 4-B Step Down nursing unit is a total of 43.40 FTEs. Ms. O'Connell advises that, based on an average daily census of 22 patients (total capacity: 24 patients), under the formula set by SFGH and agreed upon by the SEIU, an additional 4.8 FTE nursing positions are required for a total of 48.2 FTEs.

The SFGH is now requesting a supplemental appropriation in the amount of \$189,738 from the Salary and Benefits

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

General Fund Reserve in the amount of \$10,270,206 established during the FY 1997-98 budget process, to fund salaries and fringe benefits for a total of 5.24 FTE new nursing positions at SFGH (Item 10, File 101-97-40). This request includes 4.8 FTE new permanent nursing positions and an additional .44 FTE nursing position, or \$15,800, to fund one-time salaries and fringe benefits to backfill positions during new staff orientation and training for a total of 5.24 FTE new positions.

Item 11, File 102-97-15 would amend the Annual Salary ordinance to create the requested 5.24 FTE new positions. As noted above, 4.8 FTE of the new positions would be permanent and .44 FTE would be for salaries and fringe benefits required to backfill positions during new staff training (See Comment No. 3). On an annualized basis, the cost for the 4.8 FTE new permanent positions would be as follows:

<u>FTE</u>	<u>Class</u>	<u>Title</u>	Bottom Step	Top Step
			Biweekly <u>Annual</u>	Biweekly <u>Annual</u>
1.0	2312	Licensed Vocational Nurse	\$1,484-\$38,732	\$1,800-\$46,980
3.8	2320	Registered Nurse	<u>\$2,041-\$202,426</u>	<u>\$2,386-\$236,643</u>
		Subtotal-Salaries	\$241,158	\$283,623
		Fringe Benefits (20%)	<u>48,232</u>	<u>56,725</u>
4.8		Total	\$289,390	\$340,348

As shown above, the annual cost of the requested 4.8 FTE new positions would range from \$289,390 at the bottom step, including salaries of \$241,158 and fringe benefits of \$48,232, to \$340,348 at the top step, including salaries of \$283,623 and fringe benefits of \$56,725.

**Budget:**

The budget for the requested supplemental appropriation (File 101-97-40) for the six-month period from January 1, 1998 through June 30, 1998 is as follows:

Staff Positions (5.24 additional FTEs\*)

Salaries	\$147,385
Fringe Benefits	29,477
Premium Pay	<u>12,876</u>
Total	\$189,738

\*Includes a .44 FTE, or \$15,800, for one-time training salary expenses.

Ms. O'Connell advises that Premium Pay in the amount of \$12,876 is required to fund shift differential pay and "call-back pay" which is required when a nurse in the Unit 4-B Step Down nursing unit is handling a case where a patient requires that nurse's care at a time when the nurse is not normally scheduled to work.

**Comments:**

1. The requested positions were budgeted for a six month period, from January 1, 1997 to February 1, 1997. Ms. O'Connell advises that the requested positions will not be filled until February 1, 1997. Therefore the supplemental appropriation ordinance (File 101-97-40) should be reduced by the following amounts: (1) reduce Salaries by \$24,564, from \$147,385 to \$122,821; (2) reduce Fringe Benefits by \$4,979, from \$29,477 to \$24,498; and (3) reduce Premium Pay by \$2,146, from \$12,876 to \$10,730. In summary, reduce the supplemental appropriation by \$31,689, from \$189,738 to \$158,049.

2. Item 11, File 102-97-15 contains a clerical error showing that only 1.0 FTE 2320 Registered Nurse position would be created under the proposed ordinance. Therefore the ordinance should be amended to 4.24 FTE new 2320 Registered Nurse positions.

3. As noted above, the requested supplemental appropriation includes a .44 FTE 2320 Registered Nurse position, or \$15,800, to fund salaries and fringe benefits in order to backfill positions during new staff orientation and training from January 1, 1998 to June 30, 1998. Mr. Peter Praetz, Chief Financial Officer at SFGH, advises that such orientation and training costs will not be incurred after June 30, 1998. Therefore, both ordinances should be amended to make .44 FTE of the requested 4.24 FTE 2320 Registered Nurse positions a Limited Tenure position for the period from January 1, 1998 to June 30, 1998.

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

- Recommendation:**
1. In accordance with Comment No. 1, reduce the supplemental appropriation ordinance (File 101-97-40) by \$31,689, from \$189,738 to \$158,049.
  2. In accordance with Comment No. 2, amend the proposed ordinance (File 102-97-15) to change the number of 2320 Registered Nurse positions from 1.0 FTE to 4.24 FTE.
  3. In accordance with Comment No. 3, amend both of the proposed ordinances to make .44 FTE of the requested 4.24 FTE 2320 Registered Nurse positions a Limited Tenure position for the period from January 1, 1998 to June 30, 1998.
  4. Approve the proposed ordinances, as amended.



Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

Items 12 and 13 - Files 101-97-45 and 102-97-16

**Department:** Department of Public Health (DPH) – Community Health Service

**Item:** **Item 12, File 101-97-45:** Ordinance appropriating \$1,033,415 to fund the new Community Health Network Home Health Agency (HAA) and for the creation of 28.2 new positions in the DPH Community Health Services budget for FY 1997-98.

**Item 13, File 102-97-16:** Ordinance amending the FY 1997-98 Annual Salary Ordinance to reflect the creation of 28.2 new positions in the DPH Community Health Services budget.

**Amount:** \$1,033,415

<b>Source of Funds:</b>	Medicare Revenue	\$ 75,277
	Medi-Cal Revenue	187,138
	Visiting Nurse Hospice Group contracts:	
	Medically Indigent Adult (MIA) Home Care	\$157,867
	AIDS Intermittent Home Care	217,714
	AIDS Palliative Care	<u>395,419</u>
	Subtotal	<u>771,000</u>
	<b>Total</b>	<b>\$1,033,415</b>

**Description:** According to Ms. Gene O'Connell, Director of Patient Care Services and Chief Operating Officer of SFGH, the DPH has cancelled three of its contracts with the Visiting Nurse Hospice Group (VNH), which is affiliated with the California Pacific Medical Group. These contracts were to provide home health care, social services and hospice services for persons with AIDS and medically indigent adults. Ms. O'Connell advises that the three contracts were cancelled at the Mayor's request, who asked that DPH assume the provision of such services in-house, through expansion of its Community Health Network Home Health Agency (HHA).

According to Ms. O'Connell the three contracts were not all cancelled at the same time. The HAA began providing services previously provided under VNH contracts at the following times:

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

<u>Contract</u>	Month HAA Began Providing <u>Services</u>	Months of Services to be provided by HAA in <u>FY 1997-98</u>
MIA Home Care	June 1997	12 months
AIDs Intermittent Home Care	October 1997	9 months
AIDS Palliative Care	November 1997	8 months

Ms. O'Connell advises that the provision of services at the HHA, which were previously provided by VNH, would be partially funded, in the amount of \$771,000, through FY 1997-98 funds previously appropriated for the three VNH contracts, previously approved by the Board of Supervisors. The three cancelled contracts were funded for a total of \$1,436,699 in FY 1997-98 with General Fund monies. Under the proposed legislation, DPH would transfer the balance remaining for these contracts, a total of \$771,000, to the HHA. In addition, the proposed legislation would appropriate additional revenues from Medicare (\$75,277) and Medi-Cal (\$187,138) for a total of \$1,033,415 to fund the HAA. Ms. O'Connell reports that DPH will collect such additional Medicare and Medi-Cal revenue from persons served by the HAA. According to Ms. O'Connell, such Medicare and Medi-Cal revenues were previously collected by VNH and used to offset the cost of providing services under its three contracts with DPH.

The requested supplemental appropriation (Item 12, File 101-97-45) in the amount of \$1,033,415 would fund salaries and fringe benefits for a total of 28.2 FTE new positions at DPH's HAA. In addition, funds are requested for training, equipment, materials and supplies, and other current expenses. Item 13, File 102-97-16 would amend the Annual Salary Ordinance to create 28.2 FTE new positions as follows:

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

<u>FTE</u>	<u>Class</u>	<u>Title</u>	Lowest Step Biweekly- <u>Annual</u>	Top Step Biweekly- <u>Annual</u>
0.4	2232	Sr. Physician Specialist	\$3,446-\$35,976	\$4,188-\$43,723
1.0	2548	Occupational Therapist	\$1,895-\$49,460	\$2,303-\$60,108
2.0	2556	Physical Therapist	\$1,895-\$98,919	\$2,303-\$120,217
5.0	2583	Home Health Aide	\$916-\$119,538	\$1,109-\$144,725
1.0	2589	Health Program Coordinator I	\$1,562-\$40,768	\$1,895-\$49,460
2.0	2920	Medical Social Worker	\$1,858-\$96,988	\$2,258-\$117,868
1.0	2922	Sr. Medical Social Worker	\$1,941-\$50,660	\$2,360-\$61,596
1.0	2585	Health Worker I	\$1,091-\$28,475	\$1,320-\$34,452
1.0	1844	Sr. Management Assistant	\$1,787-\$46,641	\$2,172-\$56,689
1.0	1374	Special Assistant XV	\$2,660-\$69,426	\$3,234-\$84,407
8.8	2320	Registered Nurse	\$2,041-\$468,777	\$2,386-\$548,016
3.0	P103	Special Nurse	\$2,513-\$196,768	\$2,770-\$216,891
<u>1.0</u>	2322	Head Nurse	<u>\$2,449-\$63,919</u>	<u>\$3,158-\$82,424</u>
28.2		Subtotal-Salaries	\$1,366,315	\$1,620,576
		Fringe Benefits (20%)	<u>273,263</u>	<u>324,115</u>
		Total	\$1,639,578	\$1,944,691

As shown above, the annual cost of the requested 28.2 new positions would range from \$1,639,578 at the lowest step, including salaries of \$1,366,315 and fringe benefits of \$273,263, to \$1,944,691 at the top step, including salaries of \$1,620,576 and fringe benefits of \$324,115.

**Budget:**

The budget for the requested supplemental appropriation for the period July 1, 1997 to June 30, 1998 is as follows:

Staff Positions (28.2 additional FTEs)	
Salaries	\$828,436
Fringe Benefits	<u>165,687</u>
Subtotal	\$994,123
Training	14,500
Other Current Expenses	2,600
Materials and Supplies	14,812
Equipment Purchase	<u>7,380</u>
Total	\$1,033,415

Ms. O'Connell advises that a Training budget in the amount of \$14,500 is required to pay salaries and fringe benefits for personnel who were required to backfill positions during training and orientation conducted earlier in the fiscal year. Other Current Expenses, in the amount of \$2,600, is for an answering service, copying and translation services. Materials and Supplies in the amount of \$14,812, is for medical supplies and marketing and education materials. Equipment, in the amount of \$7,380 is for items such as

office furniture and computers. DPH provided the Budget Analyst with a list of equipment items totaling \$206,540 and advised that the requested \$7,380 would fund a portion (approximately 4 percent) of that cost. Ms. O'Connell advises that a second supplemental appropriation will be used to fund the \$13,270 balance (see Comment No. 2).

**Comments:**

1. According to Ms. O'Connell, once the three VNH contracts were cancelled, services had to be assumed by DPH's HHA within 30 days of canceling the contracts to ensure no interruption of services. Ms. O'Connell reports that, therefore, staff for all of the requested positions have already been hired on a temporary basis and the proposed supplemental appropriation (File 101-97-45) should be amended for actions previously taken. Ms. O'Connell reports that the HAA will continue to provide the same volume of services as provided under the VNH contracts.

2. Ms. O'Connell reports that, on an annualized basis, the salary and fringe benefits costs of the requested 28.2 new positions would total \$1,763,657 at FY 1997-98 salary levels. However, according to Ms. O'Connell, a total of 34.2 positions are required to provide the same level of services at HAA as provided under the VNH contract. Ms. O'Connell advises that the balance of six HAA administrative positions which are not a part of this request have been filled with positions that were previously vacant at a total cost of \$303,099 in salaries and fringe benefits on an annualized basis. Therefore, total annual fringe benefit and salary costs for the total 34.2 positions for a full twelve months would be \$2,126,352, at current salary levels.

Ms. O'Connell advises that only minimal funds for overhead and operating costs, a total of \$39,292, are included in the proposed supplemental appropriation (File 101-97-45). According to Ms. O'Connell, the DPH is planning to include such administrative and operating costs in a future supplemental appropriation which will concern further expansion of the HHA to provide additional services, above and beyond the level of service provided by the VNH contracts, to be funded by additional Federal and State Disproportionate Share Hospital funds that DPH anticipates to receive in FY 1997-98. Ms. O'Connell advises that administrative and operating costs related to the transfer of services from the VNH contracts to the HHA can not be



Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

**REVISED**  
Files 101-97-45 & 102-97-16

office furniture and computers. DPH provided the Budget Analyst with a list of equipment items totaling \$206,540 and advised that the requested \$7,380 would fund a portion (approximately 4 percent) of that cost. Ms. O'Connell advises that a second supplemental appropriation will be used to fund the \$199,160 balance (see Comment No. 2).

**Comments:**

1. According to Ms. O'Connell, once the three VNH contracts were cancelled, services had to be assumed by DPH's HHA within 30 days of canceling the contracts to ensure no interruption of services. Ms. O'Connell reports that, therefore, staff for all of the requested positions have already been hired on a temporary basis and the proposed supplemental appropriation (File 101-97-45) should be amended for actions previously taken. Ms. O'Connell reports that the HAA will continue to provide the same volume of services as provided under the VNH contracts.

2. Ms. O'Connell reports that, on an annualized basis, the salary and fringe benefits costs of the requested 28.2 new positions would total \$1,763,657 at FY 1997-98 salary levels. However, according to Ms. O'Connell, a total of 34.2 positions are required to provide the same level of services at HAA as provided under the VNH contract. Ms. O'Connell advises that the balance of six HAA administrative positions which are not a part of this request have been filled with positions that were previously vacant at a total cost of \$303,099 in salaries and fringe benefits on an annualized basis. Therefore, total annual fringe benefit and salary costs for the total 34.2 positions for a full twelve months would be \$2,126,352, at current salary levels.

Ms. O'Connell advises that only minimal funds for overhead and operating costs, a total of \$39,292, are included in the proposed supplemental appropriation (File 101-97-45). According to Ms. O'Connell, the DPH is planning to include such administrative and operating costs in a future supplemental appropriation which will concern further expansion of the HHA to provide additional services, above and beyond the level of service provided by the VNH contracts, to be funded by additional Federal and State Disproportionate Share Hospital funds that DPH anticipates to receive in FY 1997-98. Ms. O'Connell advises that administrative and operating costs related to the transfer of services from the VNH contracts to the HHA can not be

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

DOCUMENTS DEPT.  
JAN 06 1998  
SAN FRANCISCO  
PUBLIC LIBRARY



Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

<u>FTE</u>	<u>Class</u>	<u>Title</u>	Lowest Step Biweekly- <u>Annual</u>	Top Step Biweekly- <u>Annual</u>
0.4	2232	Sr. Physician Specialist	\$3,446-\$35,976	\$4,188-\$43,723
1.0	2548	Occupational Therapist	\$1,895-\$49,460	\$2,303-\$60,108
2.0	2556	Physical Therapist	\$1,895-\$98,919	\$2,303-\$120,217
5.0	2583	Home Health Aide	\$916-\$119,538	\$1,109-\$144,725
1.0	2589	Health Program Coordinator	\$1,562-\$40,768	\$1,895-\$49,460
2.0	2920	Medical Social Worker	\$1,858-\$96,988	\$2,258-\$117,868
1.0	2922	Sr. Medical Social Worker	\$1,941-\$50,660	\$2,360-\$61,596
1.0	2585	Health Worker I	\$1,091-\$28,475	\$1,320-\$34,452
1.0	1844	Sr. Management Assistant	\$1,787-\$46,641	\$2,172-\$56,689
1.0	1374	Special Assistant XV	\$2,660-\$69,426	\$3,234-\$84,407
8.8	2320	Registered Nurse	\$2,041-\$468,777	\$2,386-\$548,016
3.0	P103	Special Nurse	\$2,513-\$196,768	\$2,770-\$216,891
<u>1.0</u>	2322	Head Nurse	<u>\$2,449-\$63,919</u>	<u>\$3,158-\$82,424</u>
28.2		Subtotal-Salaries	\$1,366,315	\$1,620,576
		Fringe Benefits (20%)	<u>273,263</u>	<u>324,115</u>
		Total	\$1,639,578	\$1,944,691

As shown above, the annual cost of the requested 28.2 new positions would range from \$1,639,578 at the lowest step, including salaries of \$1,366,315 and fringe benefits of \$273,263, to \$1,944,691 at the top step, including salaries of \$1,620,576 and fringe benefits of \$324,115.

**Budget:**

The budget for the requested supplemental appropriation for the period July 1, 1997 to June 30, 1998 is as follows:

Staff Positions (28.2 additional FTEs)

Salaries	\$828,436	
Fringe Benefits	<u>165,687</u>	
Subtotal		\$994,123
Training		14,500
Other Current Expenses		2,600
Materials and Supplies		14,812
Equipment Purchase		<u>7,380</u>
Total		<b>\$1,033,415</b>

Ms. O'Connell advises that a Training budget in the amount of \$14,500 is required to pay salaries and fringe benefits for personnel who were required to backfill positions during training and orientation conducted earlier in the fiscal year. Other Current Expenses, in the amount of \$2,600, is for an answering service, copying and translation services. Materials and Supplies in the amount of \$14,812, is for medical supplies and marketing and education materials. Equipment, in the amount of \$7,380 is for items such as

estimated because they can not be separated from the costs for the expanded HHA.

3. Ms. O'Connell advises that the three cancelled VNH contracts were entirely funded with General Fund monies. Total annual costs for the three VNH contracts in FY 1996-97 were as follows:

	FTEs	Salaries/ Benefits	Operating Costs	Indirect Costs	Total
AIDS Hospice	23.95	\$835,736	\$42,972	\$109,839	\$988,547
AIDS Intermittent Home Care	5.74	250,463	7,568	32,254	290,285
MIA Home Care	<u>1.90</u>	<u>128,297</u>	<u>12,029</u>	<u>17,541</u>	<u>157,867</u>
Total	31.59	\$1,214,496	\$62,569	\$159,634	\$1,436,699

As shown above, the cost of the three VNH contracts in FY 1996-97 totaled \$1,436,699. In addition, estimating that VNH was able to collect approximately \$262,415 in offsetting Medi-Cal and Medicare revenue for services provided under these contracts, total estimated payments received by VNH in FY 1996-97 was \$1,699,114 (\$1,436,699 plus \$262,415).

4. In summary, the cost for HAA to pay for salaries and fringe benefits only in order to provide the services previously provided by VNH, on an annualized basis, would be \$2,126,352, not including operating and indirect costs. That amount is \$427,238, or approximately 25 percent, more than the total estimated cost to VNH of \$1,699,114 to provide such services, including operating and indirect costs. Assuming that HHA's operating and indirect costs will at least equal those of VNH at \$222,203, the annual cost to provide services by HAA would total \$2,348,555 (\$2,126,352 in salaries and fringe benefits plus \$222,203 in operating and indirect costs) which is \$649,441, or approximately 38 percent more than the total costs of \$1,699,114 to VNH.

- Recommendation:**
1. Because the requested positions have already been filled and expenses already incurred, amend the proposed supplemental appropriation ordinance (File 101-97-45) to provide for retroactivity.
  2. Approval of the proposed ordinances are a policy matter for the Board of Supervisors.



Item 14 - Files 93-97-3

**Note:** This item was continued by the Finance Committee at its meeting of December 17, 1997.

**Department:** Department of Human Resources

**Item:** Ordinance implementing the provisions of the MOU between the Municipal Executives Association (MEA) and the City and County of San Francisco for MEA members of the Police Department covering the nine-year period July 1, 1992 through June 30, 2001.

**Description:** Two positions are covered under this MOU, the 0390 Chief of Police and the 0395 Assistant Chief of Police. In the spring of 1994, the Board of Supervisors disapproved the proposed MOU for the Police Department management classifications. Such management employees are members of the MEA. That proposed MOU was based on the MOU with the rank and file members of the Police Department. The matter was then taken to binding arbitration, where the arbitrator found in favor of the MEA in February, 1995. Based on the binding arbitration award, the Controller directed that the new salary and benefits be paid for the two management classifications. The proposed MOU for Police management classifications therefore reflects prior binding arbitration awards that have been actually been paid, except for the amendments described below, and prospective rates of pay and benefits until the MOU expires on June 30, 2001.

The MOU was amended in May of 1997 to provide pay increases in the form of annual merit pay of up to 5% of base salary for the represented positions. In addition, future pay adjustments are to be based on salary relationships with the next highest Deputy Chief rank, instead of the rank of Deputy Chief.

The MOU was also amended in May of 1997 to provide pay increases for the Police Chief and Assistant Chief in amounts that would preserve salary relationships with the next highest Deputy Chief. This amendment will result in an additional six percent salary increase for these two classifications because of the recent amendment to the MOU with the Police Officers Association which created new ranks for Peace Officers Standards of Training (POST) certificate holders, where Police Officers receive a higher base pay in lieu of premium pay if such Officers hold POST certificates.

Salary provisions for the Police Department MEA management classifications based on this proposed MOU are shown below.

Biweekly Salaries over the Term of the MOU

Effective Date	Chief of Police	Asst. Chief of Police
Jul 1, 1992 to Feb 24, 1995	\$ 4,759	\$ 4,223
Feb 24, 1995	5,247	4,635
Jul 1, 1995	5,112	4,635
Jul 1, 1996	5,247	4,839
Jan 1, 1997	5,431	5,008
Jul 1, 1997	5,872	5,414
Jan 1, 1998	5,960	5,496
Jul 1, 1998	6,079	5,578
Jan 1, 1999	6,170	5,690

Effective Annual Salaries over the Term of the MOU

Effective Date	Chief of Police	Asst. Chief of Police
Jul 1, 1992 to Feb 24, 1995	\$ 124,210	\$ 110,220
Feb 24, 1995	136,947	120,974
Jul 1, 1995	133,423	120,974
Jul 1, 1996	136,947	126,298
Jan 1, 1997	141,749	130,709
Jul 1, 1997	153,259	141,305
Jan 1, 1998	155,556	143,445
Jul 1, 1998	158,662	145,586
Jan 1, 1999	161,037	148,509

For the two-year period from July 1, 1999 through June 30, 2001, the Police MEA classifications will receive any salary increases granted to other sworn personnel in the Police Department. Such salary increases, if any, would be negotiated under a reopener that exists in the MOU with the sworn members of the Police Department and would be subject to separate approval by the Board of Supervisors

The amended versions of the Police Department MOU provides that each classification covered would be entitled to annual "merit pay adjustments" of up to five percent, beginning with the 1997-98 Fiscal Year. The merit pay adjustments would be granted by the Police Commission. These new provisions would potentially cost an



Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

additional \$15,200 in salaries and fringe benefits in 1997-98 if both classifications receive the five percent merit adjustment.

Fringe benefits would increase under the proposed MOU in accordance with the following table.

	Monthly Employee <u>Health Coverage</u>	Monthly Dependent <u>Health Coverage</u>	Retirement <u>Pickup</u>
1992-93	\$162	\$ 75	1.0%
1993-94	\$178	\$150	3.0%
1994-95	\$197	\$225	5.0%
1995-96	\$175	\$225	4.5%
1996-97	\$197	\$225	7.0%
1997-98	*	\$225	7.0%
1998-99	*	\$225	7.0%

\* As prescribed by Charter

The table below provides an analysis of the estimated cost of this proposed MOU for the term 1992-93 through 1998-99. This estimate is consistent with the cost analysis provided by the Controller in a letter dated December 16, 1997.

**Estimated Cost of Proposed MOU - 1992-93 to 1998-99**

<u>Annual Costs/(Savings)</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Estimated Incremental Costs Over Prior Fiscal Year; Salary, and Fringe Benefits	<u>\$4,144</u>	<u>\$6,489</u>	<u>\$15,511</u>	<u>\$8,587</u>	<u>\$17,985</u>	\$9,260	\$11,328
Incremental Costs - Merit Pay						15,200	500
Incremental Costs - POST pay salary differential						<u>17,940</u>	<u>600</u>
Total Incremental Salary Increases	\$4,144	\$6,489	\$15,511	\$8,587	\$17,985	\$42,400	\$12,428
Percent of Salary Base		2.77%	6.62%	3.54%	7.39%	15.80%	5.15%
Annual Amount Above 1991-92 Level	\$4,144	\$10,633	\$26,144	\$34,731	\$52,716	\$95,116	\$107,454
Cumulative Total Above 1991-92 Provisions							\$331,544

The Police Department MEA MOU also covers the additional two-year period of 1999-2000 through 2000-01, the current MOU for rank and file members of the Police Department provides that the Police Officers Association and the City would reopen negotiations on salary provisions and any other sections proposed by the City on January 15, 1999 for Fiscal Years 1999-2000 and 2000-01. The results of such negotiations and related costs would subject to separate legislative approval by the Board of Supervisors.

**Comment:** As mentioned above, the Chief of Police and Assistant Chief will receive an additional six percent salary increase effective July 1, 1997 because their MOU has been amended to provide that the pay of the Police Chief and Assistant Chief would be adjusted based on any percentage increase received by the next highest ranking Deputy Chief classification. Previously, the MOU was worded to provide for adjustments based on any percentage increase received by the Deputy Chief classification. Because a recent amendment to the MOU with the Police Officers Association (File 93-96-30.2, approved by Board of Supervisors in November of 1997) provided for the creation of new ranks for Police Officers holding Peace Officer Standards of Training (POST) certificates, granting Police Officers an increase in base pay instead of payment of a POST premium, the amendment to this MEA MOU will result in an additional six percent increase for the Police Chief and Assistant Chief retroactive to July 1, 1997. Previously, the Police Chief and Assistant Chief did not receive any additional pay for holding POST certificates.

Historically, the Police Chief and the Fire Chief received the same pay. Under the proposed legislation, effective July 1, 1997, the Police Chief would receive six percent more, or approximately \$8,675 more per year, than the Fire Chief.

The impact of this one provision, results in increased costs of \$36,400 for the Police Chief and Assistant Chief for the 1997-98 and 1998-99 Fiscal Years. Additionally, as with the case of the MOU with the Police Officers Association, the retirement benefits of the Police Chief and Assistant Chief will likewise increase in relation to their salary increases.

**Recommendation:** The proposed ordinance is a policy matter for the Board of Supervisors.

Item 15 - File 172-97-77.1

**Department:** Recreation and Park Department (RPD)

**Item:** Ordinance waiving competitive bid requirements for the Recreation and Park Commission's award of contracts to the San Francisco Conservation Corps for the renovation of play areas at Gilman Playground and Herz Playground, and exempting the contracts from prevailing wage requirements.

**Description:** The proposed legislation is an ordinance waiving the competitive bidding requirements for the Recreation and Park Department's (RPD) award of contracts to the San Francisco Conservation Corps (SFCC) to renovate the play areas at Gilman Playground, located at the intersection of Giants Drive and Gilman Avenue, and Herz Playground, located at the intersection of Visitacion Avenue and Hahn Avenue. The proposed ordinance would also exempt the RPD contracts with SFCC for renovation of Gilman and Herz Playgrounds from prevailing wage requirements, pursuant to Section A 7.204 of the City's Charter.

The SFCC is eligible to be exempt from prevailing wage requirements in its contracts with the RPD because SFCC meets the conditions for exemption set forth in Section A 7.204(b) of the City Charter. Section A 7.204(b) provides that the Board of Supervisors may, by resolution, exempt from the prevailing wage requirement any contract where the work is to be performed by a non-profit organization that provides job training and work experience for disadvantaged individuals in need of such training and experience, and the non-profit organization either (1) has a board of directors appointed by the Mayor or (2) exists primarily to design and build urban gardens, yards, and play areas. SFCC is a non-profit organization that provides job training and work experience for disadvantaged individuals. It has a board of directors appointed by the Mayor and exists primarily to design and build urban gardens, yards, and play areas.

**Comments:** 1. Mr. Marvin Yee of the Recreation and Park Department reports that RPD wishes to award two contracts for the renovation of play areas at Gilman

Playground and Herz Playground to the San Francisco Conservation Corps without competitive bid, even though the expenditure involved in each contract exceeds \$50,000, because "(1) the development of disadvantaged individuals will best serve the public interest by having a significant positive impact on the economic health of the City, and (2) the SFCC has been awarded \$50,000 and \$62,212 Community Development Block Grant (CDBG) amounts for the renovation of play areas at Gilman Playground and Herz Playground, respectively. The Recreation and Park Department wishes to supplement those grant amounts to complete the renovation projects."

2. The Recreation and Park Commission has approved the award of one contract to the SFCC to renovate the play area at Gilman Playground, located at the intersection of Giants Drive and Gilman Avenue, in the amount of \$197,950 including materials, supplies, and equipment. This contract amount includes CDBG funds in the amount of \$50,000 and a RPD supplement of \$147,950 for a contract total of \$197,950.

The Recreation and Park Commission has also approved one contract to the SFCC to renovate the play area at Herz Playground, located at the intersection of Visitacion Avenue and Hahn Avenue, in the amount of \$182,500 including materials, supplies, and equipment. This contract amount includes CDBG funds in the amount of \$62,212 and a RPD supplement of \$120,288 for a contract total of \$182,500.

3. According to Mr. Ernie Prindle of RPD, \$165,000 was included in the RPD FY 1997-98 budget for renovation of Gilman Playground. The source of funding is the Open Space Fund.

4. Mr. Prindle further reports that renovation of Herz Playground was funded by a 1987 bond measure that allocated funds for improvements to six City parks, including McLaren Park, in which Herz Playground is located. The Playground renovation is consistent with the bond spending guidelines and has been approved by the Commission.

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

5. The SFCC was certified by the Human Rights Commission as being in compliance with the Equal Benefits Ordinance in August 1997.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.





Item 16 - File 27-97-12

**Department:** San Francisco International Airport (SFIA)

**Item:** Resolution authorizing the Airports Commission to apply for, accept, and expend proposed grant funds in the amount of \$360,000 from the Federal Aviation Administration (FAA) to reimburse SFIA for the Canine (K-9) Explosives Detection Team Program at the Airport.

**Amount:** Up to \$360,000

**Source of Funds:** Federal Airport Administration (FAA)

**Project:** K-9 Explosives Detection Team Program

**Project Period:** March 23, 1997, to September 30, 1998

**Description:** The proposed resolution would authorize the Airport to seek Federal assistance for its K-9 Explosives Detection Team Program. The grant would reimburse the Airport for services provided by the K-9 Explosives Detection Team Program for expenses incurred during the time period of March 23, 1997, through September 30, 1998, not to exceed \$360,000. Expenses covered include (1) dog handler salaries and overtime; (2) handler uniforms; (3) dog food, veterinary care, and kenneling; (4) vehicles and vehicle maintenance; (5) handler travel and training; and (6) explosives training.

**Budget:** According to Mr. Marcus Perro of the Airport, the annual costs for the K-9 Explosives Detection Team Program are not budgeted separately in the FY 1997-98 SFIA budget. However, such costs have been documented during the first three months of the 1997-98 Fiscal Year. Based on the actual costs incurred for the first three months of FY 1997-98, as shown in Attachment 1, provided by the Airport, the annual FY 1997-98 costs for the program are estimated to be \$457,925. Program costs in excess of the FAA's reimbursement total of \$360,000, or approximately \$97,925 (\$457,925 less \$360,000), would be funded by the Airport's operating budget.

**Required Match:** None

Memo to Finance Committee  
September 17, 1997 Finance Committee Meeting

**Comments:**

1. Mr. Perro reports that the Airport's K-9 Explosives Detection Team Program consists of one Airport Police Sergeant, seven Police Officers and eight dogs. Mr. Perro advises that in addition to working at the Airport, the K-9 teams respond to bomb threats on aircraft at other Bay Areas airports, as well as bomb threats in local communities.
2. The Airport has completed a Disability Access Checklist, which is on file with the Clerk of the Board.
3. The Grant Application Information Form, as prepared by the Airport, for the proposed grant, is shown in Attachment 2 to this report.

**Recommendation:** Approve the proposed resolution.

24-Dec-97

## FAA K-9 Explosives Detection Team Program

	July 1997 <u>Actual Exp.</u>	August 1997 <u>Actual Exp.</u>	Sept. 1997 <u>Actual Exp.</u>	Projected <u>Annual Cost</u>
Handler Salaries	\$32,994	\$34,589	\$37,102	\$418,737
Handler Overtime	\$1,660	\$2,384	\$2,280	\$25,297
Handler Uniforms (laundry)	\$0	\$0	\$0	\$0
K-9 Food	\$414	\$157	\$0	\$2,282
K-9 Veterinary Care (medication)	\$165	\$1,223	\$626	\$8,053
K-9 Kenneling	\$0	\$747	\$0	\$2,989
Vehicles	\$0	\$0	\$0	\$0
Vehicle Care and Maintenance	\$0	\$0	\$0	\$0
Handler Training/Travel	\$0	\$0	\$0	\$0
Explosives Training Aids (commercial)	\$0	\$567 *	\$0	\$567
ATF approved explosives storage magazin	\$0	\$0	\$0	\$0
Purchase of Locally Procured K-9	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$35,232</b>	<b>\$39,666</b>	<b>\$40,008</b>	<b>\$457,925</b>

\*One time cost

Note: FAA Grant covers up to \$360,000 of these costs

File Number: \_\_\_\_\_

**Grant Application Information Form**

A document required to accompany a proposed resolution  
Authorizing a Department to Accept & Expend Grant Funds

To: The Board of Supervisors  
Attn. Clerk of the Board

The following describes the grant referred to in the accompanying resolution.

1. Department: Airport
2. Contact Person: Beverly Jew Telephone: (650) 373-2808
3. Project Title: FAA Funding for K-9 Explosives Detection Team Program
4. Grant Source Agency: Federal Aviation Administration (FAA)
5. Type of Funds: ☒ Federal ☐ Federal-State (Pass-Through) ☐ State ☐ Local ☐ Private

6. Proposed (New / Continuation) Grant Project Summary:

The FAA will reimburse the Airport for services such as handler salaries, handler overtime, handler uniforms (laundry), K-9 food, K-9 veterinary care (medications), K-9 Kenneling, vehicles, vehicle care and maintenance, handler training/travel, and explosive training/travel. The amount of the reimbursement may not exceed \$360,000 for expenses incurred from March 23, 1997 to Sept. 30, 1998.

7. Amount of Grant Funding Applied for: \$360,000
8. Maximum Funding Amount Available: \$360,000
9. Required Matching Funds? Yes: ☐ No: ☒ / Cash or In-kind? \_\_\_\_\_

If yes, list dollar amount and identify source of Matching Funds in Department Budget:  
N/A

10. Number of new positions created and funded: N/A

11. If new positions are created, explain the disposition of employees once the grant ends?

N/A

12. Are indirect costs eligible costs for this grant? Yes: \_\_\_\_\_ No: x

If yes, please identify the amount of \$ in indirect costs? N/A

13. Amount to be spent on contractual services: N/A

14. a.) Will contractual services be put out to bid? N/A

b). If so, will contract services help to further the goals of the department's MBE/WBE requirements? \_\_\_\_\_

N/A

15. Is this likely to be a one-time or ongoing request for contracting out? N/A

16. Term of Grant: Start-Date: March 23, 1997 End-Date: September 30, 1998

17. Date Department Notified of Available Funds: 3/23/97

18. Grant Application Due Date: N/A

19. Grant Funding Guidelines and Options (selected from RFP, grant announcement or appropriations legislation):

- (1) Participant will be required to provide monthly billings through the FAA Regional K-9 Coordinator for qualifying expenses, using a form provided by the FAA.
- (2) The local FAA office and Regional Coordinator will conduct appropriate inspection of facilities and activities to verify the legitimacy of the expenditures.
- (3) Forms will be forwarded to the National Program Manager for final approval and accounting processing.
- (4) Reimbursements will be made monthly using normal Federal processes.

20. Department Head Approval: \_\_\_\_\_  
(Name) (Title)

\_\_\_\_\_  
(Signature)





Item 17 - File 97-97-66

**Item:** Ordinance amending Chapter 10, Section 10.88 of the Administrative Code to add the Public Utilities Commission Customer Service Bureau to the list of Departments to which Section 10.88 applies.

**Description:** Section 10.88 of the Administrative Code, "Cash Difference Fund" and "Overage Fund," provides that City employees of the departments enumerated below who receive and disburse money as directed by law or by official authority shall render a written report, through his or her department head, to the City Treasurer at the close of each business day, setting forth the exact sum of any cash deficit or overage in his or her account for that day. The Cash Overage Fund and the Cash Difference Fund, which were established by Section 10.88, serve as a depository for overages and as a source of funds to eliminate cash deficits, respectively. The Treasurer may disallow any Cash Deficit report and refer such report to the Board of Supervisors for its determination. The balance in the Cash Overage Fund reverts to the General Fund at the end of the fiscal year.

On or before the 10<sup>th</sup> day of each calendar month, the Treasurer is required to file with the Board of Supervisors and the Controller a statement covering the preceding calendar month itemizing each cash deficit as to amount, date of occurrence, and the name and civil service classification of each person whose account was reimbursed from the Cash Difference Fund, together with any additional information as may be required by the Board of Supervisors or by the Controller.

Currently, Administrative Code Section 10.88 applies to:

- Employees of the Treasurer's Office,
- Employees of the Tax Collector's Office,
- Employees of the Redemption Officer,<sup>1</sup>
- Employees of the Office of the Clerk of the Municipal Court,
- Members of the Police Department specifically assigned to the receiving of funds,<sup>2</sup>

---

<sup>1</sup> The Redemption Officer is the Tax Collector.

<sup>2</sup> Includes SFPD employees of the Permit Bureau and the Record Room.

- Persons acting as Cashier in the Department of Public Health, Bureau of Accounts,
- Employees of the Office of the Clerk of Superior Court,
- Employees of the Animal Care and Control Department,
- Employees of the Department of Parking and Traffic.

The proposed legislation would add the Public Utilities Commission, Customer Service Bureau, to the list of enumerated departments to which section 10.88 applies.

**Comments:**

1. The Customer Service Bureau was formerly within the San Francisco Water Department and is now a Bureau within the Public Utilities Commission. According to Ms. Romaine Boldridge of the PUC, the Bureau handled \$1,225,000 in cash transactions in FY 1996-97.

2. According to Ms. Marge Vizcarra of the Customer Service Bureau, to date the Bureau policy has been to hold any overage in a vault to be used in the case of a cash deficit, and to hold individual employees personally responsible for differences above the overage cash available. However, Ms. Vizcarra reports that only the most accurate and reliable employees are entrusted with the task of collecting cash, so any mistakes that lead to a cash difference are the result of unavoidable human error and it is unfair to hold individual employees personally responsible. The Bureau believes there will be more fairness with no loss of accountability if the Bureau is added to the list of Departments to which Section 10.88 applies.

3. According to Mr. Narciso Sumaylo of the Treasurer's Office, the Cash Difference Fund has an average balance of approximately \$1,000. Mr. Sumaylo reports that as of December 19, 1997, the Fund had a balance of \$1,175. When the Fund balance drops to approximately \$500, Ms. Victoria Santos of the Treasurer's Office calculates the amount due from each department to reimburse the Cash Difference Fund. Then, the Treasurer's Office transfers the reimbursement amount due from the appropriate budgets of each department that contributed to any cash deficits to the Cash Difference Fund in the Treasurer's Office. Mr. Sumaylo reports that the Cash Difference Fund balance typically drops to \$500 approximately once a year.

**Recommendation:** Approve the proposed ordinance.

Item 18 - File 101-97-44

**Department:** Port Commission

**Item:** Supplemental appropriation ordinance in the amount of \$3,500,000 to fund the costs for the design and construction of the Hyde Street Fishing Harbor for the Port Commission for FY 1997-98.

**Amount:** \$3,500,000

**Source of Funds:** Loan proceeds from the California Department of Boating and Waterways.

**Description:** In 1988, the Port began a project to revitalize commercial fishing at Fisherman's Wharf. This project included the Seafood Center Project, a fish processing plant requiring renovation and improvements to Pier 45, and Hyde Street Fishing Harbor, a waterside vessel berthing facility and landside improvements. The renovation and improvements to Pier 45 were substantially completed in August 1995 with \$14,000,000 in funding from the Federal Emergency Management Agency (FEMA), the California Office of Emergency Services, the California Economic Development Agency, a State Grant, and Port Funds. The Hyde Street Fishing Harbor is the subject of this supplemental appropriation request.

On April 13, 1988, the Port Commission approved Resolution #88-42 authorizing the Executive Director to apply for and accept loan funds from the California Department of Boating and Waterways to fund the Hyde Street Fishing Harbor project. In May of 1988, the Board of Supervisors approved Resolution #374-88 to apply for and accept loan funds for the Hyde Street Fishing Harbor project.

In 1989, the Port secured a \$3,000,000 construction loan from the California Department of Boating and Waterways. The project had an estimated completion date of May 1, 1992. Subsequent to the approval of the loan, the May 1, 1992 completion date stipulated in the loan has been extended twice. The completion date was first extended until May 1, 1994 and on March 22, 1994, the Port Commission authorized the Executive Director to apply for a further extension of the project completion, and to apply for an

increase in the amount of the loan. In April 1994, the Board of Supervisors approved Resolution #350-94 to extend the completion date of the project to August 1, 2000 and to increase the amount of the loan by \$500,000, from \$3,000,000 to \$3,500,000.

In March, 1996, the loan agreement with the California Department of Boating and Waterways was amended as follows:

Revised Loan Amount:	\$3,500,000 (original loan amount was \$3,000,000).
Revised Interest rate:	4.5% per annum on the unpaid balance commencing with the date of each transfer of loan funds by the State (previous interest rate was 4.7%).
Repayment:	To begin on August 1, 2000 and due in 2028, with repayment to be made from gross revenues originating from fees and rentals charged and received by the Port for services, facilities and leaseholds provided or located within the project area (previous repayment schedule was the same).
Revised Completion Date	August 1, 2000 (previous completion date was May 1, 1994).

In January 1995, an outside consultant retained by the Port, Duffey Company, was to prepare an Environmental Impact Report (EIR) for the Hyde Street Fishing Harbor Project. In April of 1995, a Draft EIR was released for public review and comment. Following the period of public comment and the corresponding revisions to the EIR, on December 12, 1996 the Planning Commission certified the EIR and adopted a resolution stating that there are no significant environmental impacts associated with development of the project.

On January 24, 1997, the Port issued an RFP for Architectural/Engineering services for the design of the Hyde Street Fishing Harbor Project. Concept Marine Associates

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

(CMA) was awarded a contract in the amount of \$240,300. CMA is to provide services that include programming, design development, bid and construction document preparation for the following items: disability accessible gangway, concrete walkway floats, concrete support floats for 60 fishing berths, dredging, floating debris barrier, utilities, and bilge and sewage pumpout services. The CMA contract also provides construction support services during the construction phase. The Port plans to modify the CMA contract to expand the scope of work and increase the contract amount to \$300,000 (see Comment No. 3).

The Hyde Street Fishing Harbor project also includes spill containment equipment, a leak detection system, a vessel sewage pump-out station, an oily waste disposal facility, a 200 square foot public restroom, a security gate, parking for approximately 45 vehicles to serve the Harbor, and approximately 3,000 square feet of public access at the foot of the Pier. On December 20, 1996, the Port Commission adopted Resolution #96-136 which authorized the Port to accept and expend the loan proceeds of \$3,500,000, approved the project proposal, and adopted the EIR.

**Budget:**

A summary proposed budget for the \$3,500,000, provided by the Port, is as follows:

Waterside Facilities	
CMA (See Comment No. 3)	\$300,000
Dredge Testing	30,000
Dredging	200,000
Berthing System	1,200,000
Landside Facilities	
Design	150,000
Restroom and Storage	
Building Construction	200,000
Pier Utilities and Parking	
Area Construction	1,420,000
Total	\$3,500,000

Attachment I, provided by the Port, provides a detailed budget and explanation of the Hyde Street Fishing Harbor project.

**Comments:**

1. According to Ms. Stephanie Downs of the Port, the bid for the Hyde Street Fishing Harbor Project was advertised and



CMA was selected prior to June 1, 1997. Therefore, the requirements of the Equal Benefits Ordinance do not apply.

2. According to Ms. Downs, the CMA contract is 16% MBE and 14% WBE.

3. Ms. Downs reports that the initial contract with CMA was for \$240,300, but the Port hopes to increase the CMA contract to include part of the landside design for \$40,000 and design of the fuel dock for \$19,700, for a total CMA contract of \$300,000, in accordance with the amount budgeted for CMA.

4. According to Ms. Downs, the Port plans to use Kinnetic Labs, a private firm currently retained by DPW on an as-needed basis, to conduct dredge testing. Kinnetic Labs was selected by a joint Port-DPW panel following an RFP issued in March of 1997. The Human Rights Commission provided oversight of the selection process, and the contract was awarded in July of 1997. Kinnetic Labs is not a MBE/WBE firm and they are not required to comply with the Equal Benefits Ordinance under this contract because the RFP was issued prior to June of 1997.

The Hyde Street Fishing Harbor Project budget includes \$30,000 for dredge testing, and Ms. Downs reports that it is important this amount be released because there is a short window of time during the winter months in which the testing can be performed and the Port must conduct the dredge testing before proceeding with any other part of the Project.

5. Ms. Downs reports that no contractor(s) has been selected for the construction of the waterside or landside facilities at the Hyde Street Fishing Harbor. Therefore, \$3,229,700 (the subject request of \$3,500,000 less the CMA design contract amount of \$240,300 and the \$30,000 for Kinetic Labs to perform Dredge Testing) should be placed on reserve pending contractor identification, MBE/WBE status, and compliance with Equal Benefits Ordinance.



- Recommendations:** 1. In accordance with Comment No. 3 above, reserve \$3,229,700 (the subject request of \$3,500,000 less the CMA original contract amount of \$240,300 and the \$30,000 for Kinetic Labs to perform Dredge Testing) pending construction contractor identification, MBE/WBE status, and compliance with Equal Benefits Ordinance.
2. Approve the proposed supplemental appropriation as amended.

**Budget for Hyde Street Harbor**

<i>Waterside Facilities</i>	Amount
CMA	\$ 300,000
Dredge Testing	\$ 30,000
Dredging	\$ 200,000
Berthing System	\$ 1,200,000
<i>Landside Facilities</i>	
Design	\$ 150,000
Restroom and Storage Bldg. Constructio	\$ 200,000
Pier Utilities and Parking Area Construct	\$ 1,420,000
Total	<u>\$ 3,500,000</u>

**Current CMA Contract**

Preliminary design	\$ 58,000
Detailed Design and Construction Documents:	
Waterside Facility	\$ 97,600
Landside Electrical/Mechanical	\$ 15,550
Construction Support	\$ 22,550
Reimbursables	\$ 8,250
Site Survey	\$ 10,000
Bilge/Sewer Pump Station	\$ 7,400
Additional Services, as required	\$ 20,950
Total	<u>\$ 240,300</u>

"Source: S.F. Port Commission"

Item 19 - File 101-97-46

**Department:** Building Inspection

**Item:** Appropriation of \$262,549 to replenish the Repair and Demolition Fund of the Department of Building Inspection (DBI).

**Amount:** \$262,549

**Source of Funds:** Building Inspection Fund, Non-Project Fund

**Description:** The DBI Repair and Demolition Fund is a special revolving Fund that was created for the purpose of defraying the costs and expenses which may be incurred when DBI carries out a Director of Building Inspection Emergency Order to repair or make whole<sup>1</sup> a property within the City and County of San Francisco. The Fund is not part of the Department's budget and may only be replenished by the Board of Supervisors per Chapter 2, Section 203 (l) of the San Francisco Building Code.

The Department is requesting the subject supplemental appropriation to replenish the Repair and Demolition Fund, which has a balance of \$635 as of December 10, 1997 according to Ms. Paulette Hooey of DBI. According to the Building Code (see Attachment I), the Repair and Demolition Fund is not limited to a specific authorized amount. The Fund balance may be authorized at whatever level is approved by the Board of Supervisors. According to Ms. Hooey, the Fund was last replenished in FY1994-95.

This supplemental appropriation for \$262,549 reflects costs incurred for various Emergency Orders executed from October 1994 to October 1997. Attachment II, provided by the Department of Building Inspection, details these Emergency Orders. Approval of this request will result in a Fund balance of \$263,184 (\$262,549 plus \$635).

**Comment:** Since October 1994, there have been 18 Emergency Orders executed by the Director of Building Inspection for a total of \$262,549 (see Attachment II). The most costly of these

---

<sup>1</sup>According to Ms. Hooey of the Department of Building Inspection, "make whole" refers to the work required to secure, alter, demolish, or otherwise make buildings, structures, or property safe.

Emergency Orders occurred on January 25, 1997, when the Director issued an Emergency Order for the property damage at 305 Edgehill Way, caused by a hill slide that also threatened 13 residences below on Knockash Hill. The property owners of 305 Edgehill Way obtained a private structural engineer and contractor to stabilize the 305 Edgehill Way residence (it was ultimately demolished), but the expenses incurred by the Fund to secure the hillside and to abate the public nuisance at the site totaled \$166,000. The 17 other emergency orders cost \$96,549.

- Recommendation:**
1. Amend the resolution to reduce the request by \$635 (the present balance of the fund) from \$262,549, to \$261,914.
  2. Approve the resolution as amended.

persons to whom the notice of hearing is required to be served, and a copy shall be recorded in the office of the Recorder of the City and County.

(b) Compliance, Rescinding Order. When the property or building, structure or part thereof, which was found to be unsafe, has been found to comply with requirements of the Director as to rehabilitation, alteration, repair or demolition, the Director shall issue and record in the office of the Recorder, as order rescinding the original order.

(i) Appeal of Order. Any person may appeal from an order of the Director made pursuant to the provisions of Section 203 (f) and shall, at the hearing provided for in Section 203 (d) and in said order, be apprised of the right of appeal to the Abatement Appeals Board, provided that the appeal is made in writing and filed with the Secretary of the Abatement Appeals Board within 10 days after such order is posted and served. The 10-day limitation shall not apply when any type of a moratorium authorized in this subsection is sought. Where construction methods, assemblies or materials are the bases, in whole or in part, of the Director's finding that the premises, building or structure, or part thereof, is unsafe, the Abatement Appeals Board shall refer these matters to the Board of Examiners for its examination and determination with respect to such methods, assemblies or materials in accordance with this code and the rules and requirements of the Board of Examiners.

The Board of Examiners shall approve or disapprove such methods, assemblies and materials, and may attach conditions to its approval, and shall forward a copy of its report to the Abatement Appeals Board. The Abatement Appeals Board shall include in its decision the finding of the Board of Examiners.

(j) Violation-Penalties for Disregarding Order. 1. The owner or other person having charge and control over any building, structure or property, or portion thereof, determined by the Director to be an unsafe building or property, who shall fail to comply with any order to repair, alter, vacate and alter or repair, or vacate and demolish, said building or property, shall be guilty of a misdemeanor as set forth in Section 205.

2. The occupant or lessee in possession who fails to comply with the order to vacate said building or portion thereof in accordance with any order given as provided for hereinabove shall be guilty of a misdemeanor as set forth in Section 205.

3. Any person who removes any notice, complaint or order posted as required hereinabove shall be guilty of a misdemeanor as set forth in Section 205.

(k) Costs of Abatement by City. Whenever the Director, pursuant to authority conferred by this chapter, shall cause a building, structure or property, or portion thereof, to be barricaded or otherwise secured, to be repaired or altered, or to be demolished and the site thereof cleared, by the Department of Public Works or pursuant to contract, the cost

thereof shall be paid from the "Repair and Demolition Fund" and assessed against the property upon which the particular building or structure is located.

(l) Repair and Demolition Fund. A special revolving fund, to be known as the "Repair and Demolition Fund," is hereby created for the purpose of defraying the costs and expenses (including Bureau administrative costs) which may be incurred by the Director of Public Works in carrying out the authority conferred by this chapter to barricade or otherwise secure, and to repair, alter, demolish and clear unsafe building, structures and property.

The Board of Supervisors may, by transfer or by appropriation, establish or increase the special revolving fund with such sums as it may deem necessary in order to expedite the performance of the work of securing, repairing, altering or demolition. The special revolving fund shall be replenished with all funds collected under the proceedings hereinbefore provided for, either upon voluntary payments or as the result of the sale of the property after delinquency, or otherwise. Balances remaining in the Repair and Demolition Fund at the close of any fiscal year shall be carried forward in such fund.

(m) Failure to Comply with Order. Whenever an order to repair, alter, vacate and alter or repair, or vacate and demolish any building, structure or property, or portion thereof, has not been complied with within the time set by the Director, or within such additional time as the Director may for good cause extend, or within the time fixed by the Abatement Appeals Board, the Director shall have the power, in addition to any other remedy provided herein or by law or any other ordinance, to:

1. cause the building, structure or property, or portion thereof, to be vacated and barricaded, boarded up or otherwise secured against use or occupancy pending the repair and correction of all conditions ordered to be corrected, or pending demolition;

2. cause the building or structure, or a portion thereof, to be dismantled or demolished and the site cleared by such means as the Director shall deem advisable; and

3. cause the building, structure or property, or a portion thereof, to be repaired or altered, so as to render the same safe and in compliance with applicable laws and ordinances, by such means as the Director shall deem advisable. Any work done pursuant to the authority herein shall be performed in accordance with the limitations as to repair expenditures as contained in Section 203 (c) 3 and with the established practices applicable to Public Works.

(n) Forfeiture of Owner's Right to do Work. Whenever, pursuant to Section 203 (m), the Director determines to do or cause to be done any of the work described therein, the Director shall notify in the manner set forth in Section 203 (c) the owner or other person in charge or control thereof of the Director's intention so to do, and shall specify a





## DEPARTMENT OF BUILDING INSPECTION

City & County of San Francisco

1660 Mission Street, San Francisco, California 94103-2414

### SUPPLEMENTAL APPROPRIATION REQUEST

#### Amount of Supplemental Request

\$262,549.44

#### Funding Source

DBI Special Fund Unreserved Fund Balance

#### Purpose

*To replenish the Repair and Demolition Fund that has been placed in a deficit status because of the work performed on Edgehill Way and various other emergencies.* The work performed on Edgehill Way was the result of an order issued by the Director of Public Works. The Repair and Demolition Fund also funds a work order with the Department of Public Works' Building Repair Section. This work order must maintain a balance of \$2,500 and is regularly amended. The work order is to allow Building Repair to immediately respond to emergency orders initiated by the Department's Housing Inspection Division. If the Repair and Demolition Fund is not replenished, funding will not be available to execute future Emergency Orders. This means that the Department will be unable to secure, repair, alter, demolish or otherwise make safe buildings, structures or property within the City and County of San Francisco.

#### EXPENDITURES FOR EMERGENCIES UNDER DIRECTOR'S ORDERS

<u>DATE</u>	<u>ADDRESS</u>	<u>EMERGENCY</u>	<u>COSTS</u>
10/26/94	2631-35 23 <sup>RD</sup> Street	Heating	\$ 4,303.44
02/02/95	438-440 Capp Street	Asbestos, etc	3,420.00
04/28/95	3232 22 <sup>ND</sup> Street	Heating	15,894.00
07/15/95	655 Sanchez Street	Barricade	2,500.00
08/04/95	438-440 Capp Street	Heating	18,863.00
08/04/95	684 28 <sup>TH</sup> Street	Forced Entry	96.00
08/04/95	296 2 <sup>ND</sup> Avenue	Heating	16,747.00
09/27/95	814 Hayes Street	Barricade	2,790.00
10/31/95	5432 California Street	Barricade	1,800.00
11/14/95	1517 Baker Street	Barricade	2,500.00
11/15/95	3946-3948 18 <sup>TH</sup> Street	Heating	9,256.00
12/01/95	757 Treat Street	Heating	2,500.00
9/10/96	118, 128, 138 Kensington Way	Fence	5,380.00
01/19/97	305 Edgehill Way	Land slide	166,000.00
08/29/97	740 Silver Avenue	Barricade	2,500.00
09/17/97	3275 16 <sup>TH</sup> Street	Heating	3,000.00
10/02/97	1491 Revere Avenue	Barricade	2,500.00
10/16/97	320 Turk Street	Heating	2,500.00
Total			\$ 262,549.44

Attachments



Item 20 - File 28-97-11

**Department:** Public Utilities Commission (PUC)

**Item:** Resolution authorizing the expenditure of funds for San Francisco Water Department Emergency Procurement and Repairs for water treatment plant operations.

**Description:** This resolution would authorize the expenditure of funds totaling \$4,250,000 to procure replacement parts and to repair failed equipment to provide for continuous operation at the Sunol Valley and Harry Tracy Water Treatment Plants following the January 1997 storms and flooding.

**Comments:** Ms. Cheryl Davis, Manager of the PUC's Water Treatment and Supply Division, requests that this item be continued to the January 14 meeting of the Finance Committee in order to allow the Department to obtain additional information pertaining to this matter.

**Recommendations:** In accordance with the request from the Department, continue this item to the January 14, 1998 meeting of the Finance Committee.



Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

Item 21 - File 101-97-54

**Department:** Department of Public Works

**Item:** Ordinance appropriating \$10,790,000, including \$7,000,000 from earthquake safety improvement fund interest earnings and rescinding and appropriating \$3,790,000 from various projects, to fund a portion of the cost of constructing new utility systems (the "Utility Corridor Project") at the San Francisco Zoo.

**Source of Funds:** 1990 Earthquake Safety Program, Phase 2 (ESP2) Bond Fund Interest and reappropriation of previously appropriated ESP2 Bond Funds.

<b>Amount:</b>	\$7,000,000	ESP2 Bond Fund Interest Earnings
	<u>3,790,000</u>	Re-appropriation of Previously Appropriated ESP2 Bond Funds (See Comment No. 1)
	\$10,790,000	Total

**Description:** In June of 1990, San Francisco voters approved \$332,400,000 in General Obligation Public Safety Improvement Bonds, Phase 2 (ESP2) to repair and upgrade earthquake damaged City-owned buildings throughout the City and to seismically reinforce City-owned buildings. According to DPW, the ESP2 bonds earned a total of \$39.3 million in interest as of December 1997.

The proposed supplemental appropriation for \$10,790,000 would appropriate \$7,000,000 of the interest earnings from the ESP2 bonds for the purpose of financing a portion of the Utility Corridor Project. The remaining \$3,790,000 would be re-appropriated from other ESP2 bond fund projects that no longer require the funds because the projects have changed in scope or secured Federal Emergency Management Agency (FEMA) funds.

The San Francisco's Zoo Utility Corridor Project has a total budget of \$16,975,534. Of this total, \$6,185,534 (\$16,975,534 less this request of \$10,790,000) has already been appropriated. The Utility Corridor Project is part of the Zoo Infrastructure Replacement Project, which has a budget of \$29,174,718 (see Attachment I). The Utility Corridor Project will update the Zoo's utility systems that were damaged

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

during the 1989 Loma Prieta earthquake, including replacing and upgrading potable water, groundwater, and reclaimed water systems; combined sewer/drainage systems; electrical system and communications conduit; and the natural gas system. According to Ms. Marla Jurosek of the Zoo, this work will be implemented according to the Approved Zoo Infrastructure Master Plan (approved by the Recreation and Park Commission) and the Approved Negative Declaration issued by the City's Office of Environmental Review.

Construction of the new Utility Corridor is scheduled to begin in April of 1998 and the project duration is expected to be 18 months. The Funding Source Summary, in the table below provided by DPW, shows that the total budget for the Utility Corridor Project is \$16,975,534. Of this total, \$6,185,534 (\$16,975,534 less this request of \$10,790,000) has already been appropriated.

Utility Corridor - Funding Source Summary

<u>Fund Source</u>	<u>Amount</u>
ESP2 Funds	
Subject Supplement Appropriation Request	\$10,790,000
Previously Appropriated Funds currently on Reserve	4,017,026
Previously Released Funds*	<u>664,946</u>
Subtotal ESP2 Funds	\$15,471,972
Other Funds	
Sewer Funds**	\$360,928
Water Dept Funds***	<u>1,142,634</u>
Project Total	\$16,975,534

\* ESP2 funds previously appropriated for planning, design, and construction of other S.F. Zoo Infrastructure Replacement contracts that have been completed under budget.

\*\* Sewer Funds appropriated from the Clean Water Program for the construction of combined sewer/drainage systems at the Zoo, as part of the Utility Corridor Project.

\*\*\* Water Department Funds appropriated for the replacement and upgrading of potable water, groundwater, and reclaimed water systems as part of the Utility Corridor Project.

**Budget:**

The project budget for the Utility Corridor is \$16,975,534. Of this sum, the construction contract cost estimate is \$14,938,470, as shown in the summary budget on the following page.

Memo to Finance Committee  
January 7, 1998 Finance Committee Meeting

Utility Corridor Project

Construction	\$14,938,470
DPW Construction Management	725,672
DPW Project Management	411,060
Consultant Construction Management	
Support Services	<u>900,332</u>
Project Total	\$16,975,534

According to Ms. Tina Olson of DPW, the construction budget includes a 10% construction contingency to cover additional expenses expected to occur due to the age and complexity of the existing utility systems. A detailed breakdown of the funding sources and the project budget, provided by DPW, is shown in Attachment II to this report.

**Comments:**

1. The subject request would re-appropriate \$3,790,000 currently in the ESP2 bond fund to the Zoo Infrastructure Project. Of the \$3,790,000 total, \$1,772,568 is currently reserved for the following projects and would be re-appropriated because the funds are not required due to changes in project scope and/or securing Federal Emergency Management Agency (FEMA) funds.

De Young Museum Project	\$332,006
Main Library	1,230,782
City Hall Annex	83,840
EDP Building	<u>125,940</u>
Total	\$1,772,568

The remaining \$2,017,432 (\$3,790,000 less \$1,772,568) would also be re-appropriated from the ESP2 bond fund. These monies have been previously appropriated to other ESP2 projects, but they are no longer required for specific projects (due to projects changing in scope, being completed under budget, or securing FEMA funds) and have been returned to the ESP2 bond fund unappropriated balance. According to DPW, the funds are now available for other ESP2 projects.

2. Completion of the Utility Corridor Project will enable the Zoo to implement the renovation of the western half of the Zoo, funding for which was passed in the Zoo bond measure of June 1997 in the amount of \$48,000,000. According to Ms. Jurosek, the Utility Corridor will provide the infrastructure to support the Zoo's new entrance and the following Zoo areas: Zoo Street, African Savanna, Great Ape Forest, South American Gateway, and the Children's Center. Ms. Jurosek

reports that all efforts have been coordinated with the Zoological Society's Zoo 2000 Plan and the City Recreation and Park Department.

3. The proposed Construction Management Support Services would be provided by the Joint Venture of Brown & Caldwell/EPC Consultants, Inc./CPM Services, Inc at a cost of \$900,332. The major items of support that the consultant will provide include microtunneling inspection, environmental monitoring, scheduling, cost estimating, clerical support, and office engineer services. The consultant was selected through the City's Request for Proposal process in January 1997. The Joint Venture is not subject to Equal Benefits Ordinance compliance requirements because their contract was advertised before June 1997. The Joint Venture meets the HRC required goals of 26% MBE and 6% WBE.

4. According to Ms. Olson, DPW has not yet selected a contractor for construction of the Utility Corridor Project. Ms. Olson reports that DPW put the bid out December 13, 1997 and bids are due by January 28, 1998. The contract award is expected in March 1998. Therefore, the sum of \$10,790,000 should be placed on reserve pending selection of the contractor, MBE/WBE status, and compliance with the Equal Benefits Ordinance.

- Recommendation:**
1. In accordance with Comment No. 4 above, reserve the subject supplemental appropriation request of \$10,790,000 pending submission of construction contract details for the proposed Utility Corridor Project, including the construction contractor(s) selected, MBE/WBE status, and compliance with the Equal Benefits Ordinance.
  2. Approve the supplemental appropriation request in the amount of \$10,790,000, as amended.



## Zoo Infrastructure Replacement Project – Total Funding Source Summary

<u>Zoo Infrastructure Replacement Projects Completed</u>	<u>Date</u>	<u>Fund Source</u>		<u>Total</u>
		<u>ESP2</u>	<u>Other</u>	
<b>Planning, Design &amp; Emergency Work:</b>		\$3,640,693	\$0	\$3,640,693
Master Plan	Sep-95			
Groundwater Reservoir/Lake Improvements	Aug-94			
<b>Design &amp; Drainage Contracts:</b>		1,703,305	0	1,703,305
Environmental Impact Report	Nov-94			
Hippo, Rhino, Tiger Drainage Improvements	Aug-93			
<b>Conservation Centers:</b>		2,429,599	0	2,429,599
Avian Center	Sep-96			
Mammal Conservation Center	On hold			
<b>Joint Use Infrastructure</b>	Oct-96	0	868,000 <sup>1</sup>	868,000
<b>Wet Weather Lift Station</b>	Oct-97	2,601,298	803,156 <sup>2</sup>	3,304,454
<b>Groundwater Systems</b>	On hold	78,133	0	78,133
<b>Utility Corridors</b>	Jul-99	15,471,972	1,503,562 <sup>3</sup>	16,975,534
<b>Bond Administrative Costs</b>	-NA-	75,000	0	75,000
<b>TOTAL</b>		\$26,000,000	\$3,174,718	\$29,174,718

<sup>1</sup> Ocean Side Mitigation Funds<sup>2</sup> CWP Bonds or Sewer Funds<sup>3</sup> Sewer Funds: \$360,928; Water Department Funds: \$1,142,634

**Project  
Budget:**

The project budget for the Utility Corridor is \$16,975,534. A detailed breakdown of the funding sources and the budget is as follows:

**Funding Source Summary**

<b>Funding Source</b>	<b>Amount Released</b>	<b>Amount Reserved</b>	<b>Supplemental Appropriation</b>	<b>Total</b>
<b>ESP 2 Funds</b>				
Bond interest earnings	\$0	\$0	\$7,000,000	\$7,000,000
Re-appropriation of funds	0	0	3,790,000	3,790,000
Previously Released funds	664,946	4,017,026		4,681,972
<b>Other Funds</b>				
Sewer Funds	360,928	0	0	360,928
Water Department Funds	1,142,634	0	0	1,142,634
<b>Project Total</b>	<b>\$2,168,508</b>	<b>\$4,017,026</b>	<b>\$10,790,000</b>	<b>\$16,975,534</b>

**Budget Detail**

<b>Description</b>	<b>Hours/ Week</b>	<b>Hourly Rate</b>	<b>Total Hours</b>	<b>Amount</b>	<b>Subtotals</b>
<b>Construction</b>					
Construction	-	-	-	\$13,580,427	
Contingency @10%	-	-	-	\$1,358,043	
Subtotal					\$14,938,470
<b>DPW Construction Management</b>					
Program Manager	1.0	\$95	72	\$6,840	
Resident Engineer	40.0	85	2,880	244,800	
Inspector #1	39.7	78	2,858	222,912	
Inspector #2	29.8	55	2,148	118,120	
Testing Lab	39.3	47	2,830	133,000	
Subtotal					\$725,672
<b>Consultant Construction Management Support Services</b>					
* B&C/EPC/EPM - Joint Venture	-	-	-	\$900,332	
Subtotal					\$900,332
<b>DPW Project Management</b>					
Project Manager	40.0	\$80	2,882	\$230,550	
BOE Engineer	39.8	63	2,865	180,510	
Subtotal					\$411,060
<b>Project Total</b>					<b>\$16,975,534</b>

Item 22 - File 97-97-65

**Department:** Mayor's Office of Public Finance

**Item:** Ordinance amending Chapter 55 of the Administrative Code, by amending Section 55.01 and adding a new Section 55.06 providing for the debt service savings test for issuance of refunding Revenue bonds without voter approval.

**Description:** In August of 1997, the Board of Supervisors approved an ordinance amending the Administrative Code by adding Chapter 78 (the Refunding Bond Savings Test Act) which established a procedure for calculating the net debt service savings to the City for refunding General Obligation bonds, as required by the City Charter, on a present value basis (see File 97-97-41). Refunding bonds are issued to refinance outstanding bonds at a lower rate of interest in order to reduce the total debt service requirements.

At that time, it was brought to the attention of the Finance Committee that Chapter 55 of the Administrative Code, which contains a procedure for determining the net debt service savings to the City to be generated by refinancing Revenue bonds, should also be amended to be consistent with the test for refinancing General Obligation bonds. The Finance Committee therefore requested that the City Attorney's Office prepare the subject legislation which amends Chapter 55 to require that the savings test for the refunding of Revenue bonds be calculated on a present value basis.

**Recommendation:** Approve the proposed ordinance.



Item 23 - File 46-97-12

**Department:** City Attorney  
Sheriff

**Item:** Ordinance approving the settlement of the City's claims against MCT, mechanical and electrical design subconsultant for the New Sheriff's Facility.

**Description:** The City was a party to four legal disputes involving the construction of the Sheriff's New Jail facility (County Jail No. 8), located at 425 Seventh Street. In November of 1994, the Board of Supervisors approved a supplemental appropriation (File 101-94-18.1) for the City Attorney to pursue litigation against the project's architectural Joint Venture of Williams +Tanaka/Del Campo & Maru, and nine of their subconsultants, who were also covered under the Joint Ventures' "errors and omissions" insurance policy. However, two of the architectural Joint Venture's subconsultants (Rolf Jensen & Associates and MCT Engineers) and the Project Manager (Vanir Construction Management, Inc.) did not participate in the earlier settled lawsuit, and were the defendants in separate lawsuits filed by the City.

The proposed ordinance would settle a claim against MCT Engineers (MCT), due to alleged design engineering errors and omissions on the electrical, mechanical and fire alarm/life safety systems in the Sheriff's New Jail facility. MCT is neither an MBE nor a WBE firm, but it is an LBE firm.

According to a memorandum prepared by Mr. Anthony Flores of the City Attorney's Office, the City alleges that MCT (1) provided inaccurate electrical design details; (2) failed to include necessary design information related to the electrical, mechanical and fire alarm/life safety systems; (3) failed to coordinate the mechanical, electrical and fire alarm/smoke removal systems; (4) provided late and incomplete submittal of reviews; (5) provided late, incomplete and revised responses to the general contractor's Requests for Clarification; and (6) interpreted the Building Code incorrectly.

Under the proposed settlement of the City's claims against MCT, MCT will pay \$400,000 to the City and the City will indemnify MCT against claims from the Sheriff's New Jail Facility contractors and subcontractors. MCT will also provide the City with 50 hours of engineering assistance, at no additional cost to the City, to assist the City in completion of the non-conforming work on the Sheriff's New Jail Facility. Mr. Flores reports that the proposed settlement would resolve all of the remaining issues between MCT and the City.

**Comments:**

1. The Board of Supervisors recently authorized settlement of litigation between Stolte, Inc., the City's general contractor for construction of the Sheriff's New Jail Facility, and the City (File 101-97-34). That settlement involved payment to Stolte, Inc. by the City of \$8,750,000. In addition to the cost of that settlement, Mr. Martie Moore of the City Attorney's Office reports that the City Attorney's Office has incurred costs of \$1,677,477 related to litigation involving the Sheriff's New Jail Facility, for a total litigation cost of \$10,427,477.

2. The proposed settlement with MCT would be the third settlement of legal disputes involving the architectural Joint Venture and the Joint Venture subcontractors in connection with the Sheriff's New Jail facility. The results of these legal disputes, wherein the City is to receive total settlement payments of \$1,543,100, are summarized as follows:

<u>Name of Firm</u>	<u>Settlement Payment</u>
<u>Paying Settlement to City</u>	<u>to City</u>
Williams +Tanaka/Del Campo & Maru, Architectural Joint Venture and nine subconsultants	\$943,100
MCT Engineers (subject of this ordinance)	400,000
Rolf Jensen & Associates	<u>200,000</u>
Total payments to be made to City by firms listed above	\$1,543,100

Mr. Flores reports that one additional legal dispute related to the construction of the Sheriff's New Facility is still pending resolution. This legal dispute involves a \$350,000 claim for damages by the City against Vanir Construction Management, which was retained by the City to provide




Memo to Finance Committee  
January 7, 1998 Meeting of Finance Committee

construction management services for the Sheriff's New Facility project. Mr. Flores advises that he is hopeful that a settlement of the legal dispute between the city and Vanir Construction Management will be reached early in 1998. If the \$350,000 claim is paid in full, the City would have received a total of \$1,893,100.

3. If the City receives the full \$1,893,100 in settlement payments, as listed on the previous page, and the \$350,000 pending settlement payment from Vanir Construction Management, the net litigation costs to the City will be \$8,534,377 (\$10,427,477 less total settlement payments to City of \$1,893,100). If the City does not receive the \$350,000 settlement payment from Vanir Construction Management, the net litigation costs to the City will be \$8,884,377 (\$10,427,477 less total settlement payments to City of \$1,543,100).

4. According to Mr. Flores, any additional specifics of this case should be discussed by the Finance Committee with the City Attorney staff in closed session.

**Recommendation:** Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

  
for Harvey M. Rose

cc: Supervisor Leal  
President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Teng

Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Matthew Hymel  
Stephen Kawa  
Ted Lakey



## MINUTES

DOCUMENTS DEPT.

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCOJAN 15 1998  
SAN FRANCISCO  
PUBLIC LIBRARY

## REGULAR MEETING

WEDNESDAY, JANUARY 14, 1998 - 1:00 P.M.VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS BARBARA KAUFMAN, AMOS BROWN

CLERK: JONI BLANCHARD

Meeting Commenced: 1:15 p.m.

1. File 98-0004. [Reserved Funds, Fire Department] Hearing to consider release of reserved funds, Fire Department (1992 Fire Protection Bond proceeds), in the amount of \$463,000 for the purpose of funding the construction contract of Station No. 20 renovation. (Department of Public Works)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Release of \$463,000 approved. Filed.

2. File 98-0005. [Reserved Funds, City Administrator] Hearing to consider release of reserved funds, City Administrator, (Convention Facilities Fund), in the amount of \$243,479, to purchase and install equipment for the implementation of a comprehensive recycling program. (San Francisco Convention Facilities)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Release of \$243,479 approved. Filed.

3. File 28-97-10. [Emergency Repair, Pier 1-1/2 Building] Resolution approving a declaration of emergency for architectural and engineering services to repair a collapsed wall of the Pier 1-1/2 Bulkhead building, Port of San Francisco - \$240,000. (Port Commission)

SPEAKERS: Harvey Rose, Budget Analyst; Veronica Sanchez, S.F. Port - support.

ACTION: Hearing held. Amended on line 4 after "San Francisco" to add "; retroactive to 10/11/97."; amended beginning on line 20 after "emergency" to add ", retroactive to 10/11/97." (See new title). Recommended as amended.

New Title: [Emergency Repair, Pier 1-1/2 Building] Resolution approving a declaration of emergency for architectural and engineering services to repair a collapsed wall of the Pier 1-1/2 Bulkhead building, Port of San Francisco; retroactive to 10/11/97. (Port Commission)

4. File 101-96-83.2. [Reserved Funds, Port Commission] Hearing to consider release of reserved funds, Port Commission (S.F. Harbor Operating Fund Loan Revenue), in the amount of \$1,482,800, to fund the contractual services of Hok Construction, for improvements at the new Pier 50 maintenance facility. (Port Commission)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Release of \$1,482,000 approved. Filed.

5. File 64-97-20. [Lease Amendment, 480 Second Street] Resolution authorizing amendment to a lease of real property at 480 Second Street, San Francisco, for the Office of Citizen Complaints. (Real Estate Department)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

6. File 64-97-21. [Lease of Property at 165 Fell Street] Resolution authorizing lease of real property at 165 Fell Street, San Francisco, for the Department of Human Services. (Real Estate Department)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Amended on page 1, line 3 after "services" to add "; approval is contingent on Human Rights Commission certification that lessor is in compliance with Equal Benefits Ordinance."; amended on page 3, beginning on line 2, after "ratified" to add "; and, be it FURTHER RESOLVED, That approval of the agreement is contingent on Human Rights Commission certification that lessor is in compliance with the Equal Benefits Ordinance." (See new title). Recommended as amended.

New Title: [Lease of Property at 165 Fell Street] Resolution authorizing lease of real property at 165 Fell Street, San Francisco, for the Department of Human Services; approval is contingent on Human Rights Commission certification that lessor is in compliance with Equal Benefits Ordinance. (Real Estate Department)

## LITIGATION

The Finance Committee of the Board of Supervisors decided, by motion, to meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlement of the litigation listed below, this litigation involving the City and County of San Francisco. This motion was made on the basis that discussion in open session of this proposed settlement would prejudice the position of the City in this litigation.

7. File 101-97-47. [Appropriation/Settlement of Lawsuit, Fire Dept.] Ordinance appropriating \$900,000, Fire Department, from the General Fund Litigation Reserve balance to claims and judgments, for fiscal year 1997-98 and authorizing settlement of litigation between Odelia Braun and the City and County of San Francisco (Superior Court Case No. 969-799), by payment of \$900,000 plus 8.5% simple interest to accrue beginning December 16, 1997. RO #97168. (Controller)

SPEAKER: Ted Lakey, Deputy City Attorney – provided information.

ACTION: Hearing held. Recommended.

The Finance Committee of the Board of Supervisors found it is in the best interests of the City not to disclose any information revealed in its closed session deliberation in the above item at this time and moved not to disclose any information at this time.

8. File 97-97-67. [Capital Improvement Advisory Committee] Ordinance amending Administrative Code by amending Sections 3.20, 3.21 and 3.22 to allow the Mayor, instead of the Capital Improvement Advisory Committee (CIAC) to appoint the members of the CIAC, to provide that the City Administrator is a non-voting ex-officio member of the committee, to direct the CIAC to provide any information necessary for the City Administrator to report to the Board of Supervisors on all long-term financial proposals and capital improvement projects, and to provide that the CIAC review all capital improvement projects and long-term financing proposals and provide information on such projects to the City Administrator. (Mayor)

SPEAKER: John Ehrlich – opposed.

ACTION: Hearing held. Consideration continued to 1/28/98.

9. File 172-97-78. [Amendment, 3COM Park Parking Lot Agreement] Resolution approving a Second Amendment to the 3COM (Candlestick) Park Parking Lot Operating Agreement between the City and County of San Francisco and the San Francisco Giants extending the agreement until December 31, 1999 to coincide with the amended stadium lease between the City and the San Francisco Giants unless the parties agree to further extend the agreement due to force majeure in the construction of Pacific Bell Park and adding new provisions required under City ordinances and deleting a provision no longer required under City ordinance. (Recreation and Park Department)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

10. File 93-97-49. [MOU, Fire Rescue Paramedics, Local 790] Ordinance adopting and implementing the Memorandum of Understanding between the Service Employees International Union, AFL-CIO, Local 790, and the City and County of San Francisco for the H-1 Fire Rescue Paramedics to be effective for the period July 1, 1997 through June 30, 1999. (Mayor)

SPEAKERS: Harvey Rose, Budget Analyst; Dale Butler, Local 790 – support; Alice Villagomez, Department of Human Resources – support.

ACTION: Hearing held. Recommended.

11. File 98-18. [Appropriation, Department of Telecommunications] Ordinance appropriating \$35,000,000, Department of Telecommunications, of lease revenue bond fund proceeds for professional services (first phase of Motorola contract) to provide Citywide Emergency Radio System. (Mayor)

SPEAKERS: Harvey Rose, Budget Analyst; Mike Martin, 911/OES Project Director, Mayor's Office – support.

ACTION: Hearing held. Amended on lines 1, 13, 16, and 18 to replace "\$35,000,000" with "\$31,192,525". (See new title). Recommended as amended.

New Title: [Appropriation, Department of Telecommunications] Ordinance appropriating \$31,192,525, Department of Telecommunications, of lease revenue bond fund proceeds for professional services (first phase of Motorola contract) to provide Citywide Emergency Radio System. (Mayor)

12. File 100-97-1.4. [Reserved Funds, Department of Public Health] Hearing to consider release of reserved funds, Department of Public Health (1997/98 Budget), in the amount of \$200,000 to fund the Rental Subsidy Program for persons with disabling HIV/AIDS. (Department of Public Health)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Release of \$200,000 approved. Filed.

13. File 100-97-1.1. [Reserved Funds, Administrative Services] Hearing to consider release of reserved funds, Department of Administrative Services, in the amount of \$120,000 for the San Francisco Museum project. (Department of Administrative Services)

SPEAKER: Harvey Rose, Budget Analyst; Steve Nelson, Department of Administrative Services – support.

ACTION: Hearing held. Release of \$120,000 approved. Filed.

Meeting Adjourned: 2:15 p.m.

VOTE ON ALL ITEMS WAS 2 – 0.



DOCUMENTS DEPT.

JAN 15 1998

SAN FRANCISCO  
PUBLIC LIBRARY

CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

January 9, 1998

TO: Finance Committee

FROM: Budget Analyst *Recommendations for Meeting*

SUBJECT: January 14, 1998 Finance Committee Meeting

#### Item 1 - File 98-4

Departments: Fire Department  
Department of Public Works

Items: Hearing to release reserved funds from 1992 Fire Protection Bond proceeds, in the amount of \$463,000, for the upgrade and renovation of Fire Station No. 20.

Amount: \$463,000

Source of Funds: Release of reserves from previously appropriated 1992 Fire Protection Bond Fund and Interest Earnings monies.

Description: In November of 1996, the Board of Supervisors approved an ordinance appropriating \$14,233,588 from 1992 Fire Protection Bond funds for architectural and engineering services and construction costs in connection with the renovation of 20 Fire Department facilities, including the upgrade and renovation of Fire Station No. 20 (File 101-96-12). Because DPW had not selected contractors to perform the renovation work for 17 of the 20 Fire Department facilities, the Board reserved a total of \$7,864,100 pending

Memo to Finance Committee  
January 14, 1998 Finance Committee Meeting

DPW's selection of contractors, submission of the MBE/WBE status of the contractors, and contract cost details. In July of 1997, the Finance Committee released \$256,000 for the renovation of Fire Station No. 42 (File 101-96-12.1), leaving \$7,608,100 on reserve. On October 22, 1997, the Finance Committee released \$300,000 for the renovation of Fire Station No. 10 (File 101-96-12.2), leaving \$7,308,100 on reserve. The proposed request would authorize the release of \$463,000 for the renovation of Fire Station No. 20, leaving \$6,845,100 on reserve.

According to Mr. Peter Wong of DPW's Bureau of Architecture, construction work to be performed for the renovation of Fire Station No. 20, located at 285 Olympia Way, consists of general remodeling, creating separate shower and restroom facilities for female firefighters, mechanical and electrical systems upgrades, asbestos abatement, and disability access improvements in public areas.

**Budget:**

The construction contract for the renovation of Fire Station No. 20 totals \$503,000 and was awarded to C. H. General Contractors, an MBE/LBE firm which submitted the lowest bid.

The proposed request for release of reserved funds of \$463,000 for the renovation work of Fire Station No. 20 requires an additional \$40,000 (total construction contract amount of \$503,000 less the requested release of \$463,000 on reserve), which will be funded from previously appropriated monies (see Comment No. 1). As shown in the Attachment, provided by Mr. Wong, MBE subcontractors to C. H. General Contractors are allocated a total of \$177,500 or 35.29%, of the total contract amount of \$503,000, and WBE subcontractors are allocated a total of \$37,500, or 7.46%, of the total contract amount. In addition, the prime contractor, C.H. General Contractors, which is an MBE firm, is allocated a total of \$288,000, or 57.25%, of the total contract amount.

**Comments:**

1. As noted above, the proposed request for release of reserved funds of \$463,000 for the renovation work is \$40,000 less than the total construction contract of \$503,000. According to Mr. Wong, the source of the additional \$40,000 would be previously appropriated 1992 Fire Protection Bond monies.

2. According to Ms. Cynthia Goldstein of the Human Rights Commission, C.H. General Contractors is in compliance with the Equal Benefits Ordinance.

**Recommendation:** Approve the proposed release of reserves.

Job No.: 5469A  
 SFFD STATION 20 RENOVATION  
 CONSTRUCTION CONTRACT COST BREAKDOWN

---

Prime Contractor MBE (57.25% of Base Bid)

C. H. General Contractors	288,000
---------------------------	---------

Base Bid Construction Contract

Subcontractors MBE (35.29% of Base Bid))

Louie's Construction (Plumbing)	23,500	
Yum's Mechanical (Mech.)	96,000	
Pioneer Roofing	<u>58,000</u>	177,500

Subcontractors WBE (7.46% of Base Bid))

Pivot Constrution (Rough Carpentry)	28,000	
City Lumber (Carpentry)	<u>9,500</u>	37,500

Total base bid construction contract:	<u>\$503,000</u>
---------------------------------------	------------------

Funding Source:

1. 3rd Bond Sale Appropriation - Construction Reserve	463,000	Total Request \$463,000
2. Available/Approved Fund	<u>40,000</u>	
Total:	\$503,000	

Memo to Finance Committee  
January 14, 1998 Finance Committee Meeting

Item 2 - File 98-5

**Department:** Department of Administrative Services, Convention Facilities

**Item:** Hearing to consider the release of reserved funds for the Department of Administrative Services, Convention Facilities, in the amount of \$243,479 for the purpose of purchasing and installing equipment for a comprehensive recycling program at the Moscone Center.

**Amount:** \$243,479

**Source of Funds:** Previously reserved 1994 San Francisco Redevelopment Agency (SFRA) Lease Revenue Bond Proceeds and Convention Facilities Fund monies in the amount of \$19,703,203.

**Description:** The Board of Supervisors previously approved a supplemental appropriation of Convention Facilities Fund monies (\$16,416,384) and 1994 SFRA Lease Revenue Bond proceeds (\$15,700,965) for a total amount of \$32,117,349 in 1995 to provide funding for (1) debt service payment for the SFRA Hotel Tax Revenue Bonds (Series 1994) in the amount of \$553,504, (2) debt service payment for the SFRA Lease Revenue Bonds, (Series 1994) (Moscone Convention Center) in the amount of \$1,376,015, (3) capital improvements to the Moscone Convention Center in the amount of \$22,973,794, and (4) construction of the Children's Center in the amount of \$7,214,036 to be located on the roof of Moscone Convention Center South. The Board reserved \$22,973,794 of the \$32,117,349 supplemental appropriation pending the selection of contractors, the MBE/WBE status of the contractors, and contract cost details (File 101-94-76).

Of the \$22,973,794 in previously reserved funding, the Budget Committee released \$679,500 in 1995 for the purpose of developing the bid specifications and architectural drawings for the capital improvement projects. The Budget Committee released \$165,300 in February of 1996, and \$778,277 in December of 1996 for capital improvement projects at the Moscone Convention Center. In July of 1997, the Finance Committee approved the release of \$1,647,514 for capital improvement projects at the Moscone Convention

Memo to Finance Committee  
January 14, 1998 Finance Committee Meeting

Center resulting in a remaining balance on reserve of \$19,703,203.

This request is to release \$243,479 from the balance of \$19,703,203 on reserve to purchase and install equipment and facility modifications for a comprehensive recycling program at the Moscone Convention Center.

Ms. Kathleen Hennessey, Commercial Recycling Coordinator of the Solid Waste Management Program states that the Moscone Convention Center produces a significant amount of solid waste. Ms. Hennessey advises that State Law AB939 requires City-owned facilities to recycle or compost at least 50% of their solid waste rather than deposit such waste in a landfill by the year 2000. Ms. Hennessey reports that the Moscone Convention Center's current efforts in recycling aluminum cans and white paper do not meet the standards as established by the State.

Ms. Hennessey states that the subject funds would be used to purchase 223 receptacles to be placed throughout the Moscone Convention Center. These include: 51 containers for plastic, glass, and aluminum beverage containers (\$10,098); 45 containers for mixed paper (\$8,865); 48 containers for plastic, metal, glass and corrugated cardboard (\$52,800); 58 containers for all types of waste in the public lobby (\$8,410); and 21 metal containers for the loading dock area (\$11,130), for a total of \$91,303.

Additionally, the subject funds would be used to purchase equipment for recycling materials including a sorting conveyer (\$12,000) and 5 cart tippers, which are mechanical devices that lift heavy containers (\$25,000), and \$70,000 for a Baler, which is a heavy duty compactor, for a total of \$107,000. However, \$35,000 of the \$70,000 Baler costs would be paid from a Solid Waste Management Program Grant.

Ms. Hennessey advises that the subject funds would also be used for the following facility modifications: leveling the floor at the loading dock of the Moscone Center to make room for the Baler (\$10,000) and relocating the refrigeration equipment so that there is storage space for the new equipment (\$20,000), for a total of \$30,000. The total request



of \$243,479 (net of the \$35,000 grant) also includes a 10% Contingency of \$22,830, an 8.5% Sales Tax of \$21,346, and a Freight Cost of \$6,000.

**Budget:** The Department has provided a budget shown in the Attachment for the requested \$243,479.

**Comments:** 1. Mr. Jack Moerschbaecher, Director of Convention Facilities in the Department of Administrative Services, Convention Facilities, advises that the operating expenses for the proposed Moscone Recycling Project are estimated to be \$138,875 in FY 1997-1998. According to Mr. Moerschbaecher, this amount was included in an existing contract between the Department and Spectacor Management Group and Thigpen Limited, a Joint Venture which is responsible for operating the Moscone Convention Center facilities. The funding source for this contract is Hotel Tax monies allocated to the Moscone Convention Center.

2. According to Mr. Moerschbaecher, the Moscone Convention Center's annual cost for waste disposal is \$500,000. Within the first year of the Moscone Convention Center Recycling Project, Mr. Moerschbaecher advises that waste removal costs are estimated to decrease by \$200,000, from \$500,000 to \$300,000, because a portion of the Center's waste, which is now being thrown away, will instead be recycled as a result of purchasing the subject requested equipment and making the needed facility modifications. Mr. Moerschbaecher states that, in addition, the Department would receive \$10,000 in the first year from revenues from the sale of recycled materials. Mr. Moerschbaecher advises that the net savings from such reduced costs and increased revenues are expected to increase in future years.

**Recommendation:** Approve the proposed resolution.

## MOSCONE RECYCLING PROJECT CAPITAL COSTS

QTY	UNIT	DESCRIPTION	UNIT COST	TOTAL COST
1	EA	APPROX. 8' LONG SORTING CONVEYOR HORIZONTAL WITH INCLINE INFEED SECTION & HOPPER - 230 VOLT 3 PHASE	12,000.	12,000.
51	EA	60 GAL. CASTER CART, GREEN, WITH CAN COLLAR & IMPRINT ON LID	198	10,098
45	EA	60 GAL. CASTER CART, GREEN, WITH PAPER SLIT AND IMPRINT ON LID	197.	8,865.
48	EA	2 YD. MOBILE CONTAINER WITH RIVETED METAL CARDHOLDER	1,100	52,800
21	EA	4 CY METAL CONTAINERS	530	11,130
5	EA	CART TIPPERS	5,000.	25,000.
1	EA	BALER	70,000	70,000.
58	EA	PUBLIC LOBBY CONTAINERS	145.	8,410
N/A	N/A	LEVEL FLOOR AT LOADING DOCK	10,000.	10,000.
N/A	N/A	RELOCATE REFRIGERATION EQUIPMENT	20,000	20,000.
TOTAL EQUIPMENT/MISC. ITEMS				\$228,303.
Plus 10% Contingency:				22,830.
SUB-TOTAL				\$251,133.
Plus 8.5% Sales Tax				21,346.
Plus freight				6,000.
SUB- TOTAL:				\$278,479
Less City Solid Waste Program Baler Grant				(35,000)
GRAND TOTAL				\$243,479.

Item 3 - File 28-97-10

**Department:** Port Commission

**Item:** Resolution approving a declaration of emergency for architectural and engineering services to repair a collapsed wall of the Pier 1 1/2 bulkhead building.

**Amount:** \$240,000

**Source of Funds:** Port Operating Fund

**Description:** On August 26, 1997, a section of exterior plaster wall, approximately 20 feet long by 19 feet high, located on the waterside second floor of the Pier 1 1/2 Bulkhead building came loose from the supporting timber wall framing and fell off the wall to the second story roof. Port maintenance staff performed the required demolition and removal of the fallen plaster section. Port maintenance staff also installed a temporary water-resistant plastic membrane over the exposed wall area.

Port staff inspected the damaged exterior wall and determined that approximately 280 lineal feet of wall approximately 19 feet high was damaged to the point of creating an unsafe condition and requires permanent replacement of the wall, including plywood, stucco, windows, and insulation.

An emergency was declared by the Port on October 11, 1997 because of the danger of further wall collapse. Port staff estimate the cost of the repair project to be \$240,000, which includes \$35,000 for architectural and engineering services and \$205,000 for construction. In accordance with Section 6.30 of the Administrative Code, the Port workordered \$35,000 to the Department of Public Works, which initiated architectural and engineering services to conduct the design work. According to Ms. Veronica Sanchez of the Port Commission, the Port intends to conduct an expedited solicitation for the construction work. Ms. Sanchez estimates the work will start February 16, 1998 and will be completed May 6, 1998.

Memo to Finance Committee  
January 14, 1998 Meeting of Finance Committee

**Comments:**

1. According to a report prepared by Mr. Cliff Jarrard, Chief Harbor Engineer, Port staff believes that permanently replacing the plywood, stucco, windows, and insulation to repair the wall at Pier 1 1/2 will extend the life of the bulkhead building, eliminate liability caused by the unsafe condition, and preserve the annual revenue stream of \$250,524 from the rental space in the Pier 1 1/2 building. Given Mr. Jarrard's estimate of the potential and existing rental income, the payback period for the wall repair is less than one year.

2. Since the emergency was declared on October 16, 1997, and the design work has already begun, the proposed resolution should be amended to provide retroactive approval for the declaration of an emergency.

**Recommendations:** 1. In accordance with Comment No. 2, amend the proposed resolution to provide for retroactive actions.

2. Approve the proposed resolution as amended.

Item 4 - File 101-96-83.2

**Department:** Port Commission

**Items:** Hearing to consider the release of reserved funds in the amount of \$1,482,800 to fund Maintenance Facility Site Improvements at the new Pier 50 Maintenance Facility.

**Amount:** \$1,482,800

**Source of Funds:** Loan Proceeds obtained from the Canadian Imperial Bank of Commerce

**Description:** In March of 1996, San Francisco voters approved Proposition B, which established a special zoning district to permit the construction of the San Francisco Giant's new baseball stadium on Port property on Pier 46 at China Basin. In order for the baseball stadium to be built, the Port of San Francisco was required to relocate its Maintenance Facility from Pier 46 to Pier 50, and to relocate 17 commercial tenants who occupied Pier 46 to other Port property, if such tenants desired to remain on Port property.

In June of 1997, the Board of Supervisors approved a supplemental appropriation allocating \$7,550,000 out of a maximum of \$12 million in loan proceeds obtained from the Canadian Imperial Bank of Commerce for a capital improvement project to (a) relocate the Port's maintenance facility from Pier 46 to Pier 50, (b) make tenant relocation site improvements at Pier 50, and (c) relocate the KSET radio transmitter to Pier 70. Pending the identification of the proposed contractors, the MBE/WBE status of the contractors, and submission of final contract cost details, \$6,052,714 of the \$7,550,000 was placed on reserve. Of the total funds reserved, \$3,259,427 was designated for Pier 50 Port Maintenance Facility improvements and \$2,793,287 was designated for tenant relocation site improvements.

The Port is requesting release of \$1,482,800 of the \$3,259,427 in reserved funds designated for the Port's Maintenance Facility site improvements at Pier 50 for the following specific purposes: (1) architectural and structural construction of new Port maintenance staff offices, maintenance shops and warehouse areas, including

Memo to Finance Committee  
January 14, 1998 Finance Committee Meeting

resurfacing of floors and acoustic ceilings in existing offices;  
(2) installation of new mechanical and plumbing systems;  
and (3) installation of new electrical and lighting systems.

On November 20, 1997, the Port Commission awarded a contract in the amount of \$1,348,000 for the Pier 50 Port Maintenance Facility site improvements to the lowest responsive bidder, Hok Construction, in accordance with the City's competitive bid procedures. According to Ms. Stephanie Downs of the Port, Hok Construction is a MBE firm. According to Ms. Francis Thomas in the Purchasing Department, Hok Construction is in compliance with City's Equal Benefits Ordinance.

**Budget:** A summary budget for this request of \$1,482,800 is as follows:

Actual bid for subject Pier 50 Maintenance	
Facility site improvements	\$1,348,000
Contingency (10%)	<u>134,800</u>
Total	\$1,482,800

- Comments:**
1. According to Ms. Veronica Sanchez of the Port Commission, the Pier 50 Maintenance Facility site improvements are scheduled to commence as soon as possible and to be completed within four months.
  2. The Attachment to this report is a copy of the bid summary, including the MBE/WBE status of the contractors, as provided by the Port.
  3. The lowest bid received by the Port was from Trico Construction. According to Ms. Sanchez, Trico Construction was deemed unresponsive to the Port's MBE/WBE goals because Trico Construction's claim of WBE status was not certified by the Human Rights Commission. Accordingly, the second lowest bidder, Hok Construction, was awarded the contract in the amount of \$1,348,000. According to the Port, Hok Construction's MBE subcontractors would be allocated a total of \$143,780, or 10.7 percent of the contract amount of \$1,348,000, and WBE subcontractors are to be allocated a total of \$481,982, or 35.8 percent of the contract amount. In addition, Hok Construction, the prime contractor, is an MBE



Memo to Finance Committee  
January 14, 1998 Finance Committee Meeting

firm and is allocated \$722,238, or 53.5 percent of the total contract amount.

**Recommendation:** Approve the release of funds in the requested amount of \$1,482,800.

Prepared By: Victor Yew  
Chocked By: Rob Lim  
Date: September 23, 1997  
Page 1 of 4

Bid Item #	Description	Estimated Quantity	Unit/L/S	Price	Total	Unit/L/S	Price	Total	Unit/L/S	Price	Total	Unit/L/S	Price	Total
1	NOT APPLICABLE	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Supply and installation of architectural and structural systems and accessories, and all additional items of work noted in the contract documents but not specifically noted in Bid Items 1, 3 and 4.	LUMP SUM		\$ 318,000.00				\$ 700,000.00			\$ 494,138.00			\$ 370,000.00
3	Supply and installation of mechanical and plumbing systems	LUMP SUM		\$ 900,000.00				\$ 680,000.00			\$ 1,033,000.00			\$ 838,900.00
4	Supply and installation of electrical systems and lighting	LUMP SUM		\$ 100,000.00				\$ 75,482.00			\$ 75,482.00			\$ 100,000.00
Totals				\$1,318,000.00				\$1,346,000.00			\$1,408,520.00			\$1,470,000.00

**Note 1:** Listed total is not consistent with the sum of the individual items. Contractor has confirmed that the listed total is the bid price.  
**Note 2:** Contractor Bid Item No. 2 amount indicated on Document 00302 of \$37,000 was incorrect. This figure was corrected to \$370,000.

Distribution: C. Jarrod, E. Byrne, R. Lin, Biol Summary Group, Contract File No. 2635  
nyflg Vremy50-2635apiendshoebidsturn wk4

**BID SUMMARY**  
**PORT OF SAN FRANCISCO**

Project: Pier 50 Shed D Interior Improvements  
Contract No.: 2835

Project Manager: Ed Byrne

Bids Opened: Friday, September 18, 1997, 2 P.M.

Prepared By: Victor Yew  
Checked By: Rob Lim  
Date: September 23, 1997  
Page 2 of 4

Bid Item #	Description	Estimated Quantity	Angotti & Reilly Inc.		AA Construction Co.							
			Unit/LS	Price	Unit/LS	Price						
1	NOT APPLICABLE											
	Supply and installation of architectural and structural systems and accessories, and all additional items of work noted in the contract documents but not specifically noted											
2	In Bid Items 1, 3 and 4	LUMP SUM		\$ 406,000.00		\$ 397,800.00						
3	Supply and installation of mechanical and plumbing systems	LUMP SUM		\$1,020,000.00		\$1,221,000.00						
4	Supply and installation of electrical systems and lighting	LUMP SUM		\$ 80,000.00		\$ 99,450.00						
Totals				\$1,506,000.00		\$1,718,250.00						

W:\18\18050-2835\SpecSheet\BidSum.mxd

**BID SUMMARY**  
**PORT OF SAN FRANCISCO**

Project: Pier 50 Shed D Interior Improvements  
Contract No. 2635

Project Manager: Ed Byrne

Bids Opened: Friday, September 19, 1997, 2 P.M.

Prepared By: Victor Yew  
Checked By: Rob Lim  
Date: September 23, 1997  
Page 3 of 4

		Tico Construction		Hok Construction		Lawrence Construction Co./W. J. V		Contractors, Inc		Alpine Bay Builders, Inc	
		445C Hampshire Street San Francisco, CA 94110 (415) 555-8439		401 China Basin St., #132 San Francisco, CA 94107 (415) 896-5188		355 Fremont St San Francisco, CA 94105 (415) 908-3824		1350 Nautilus Street San Francisco, CA 94103 (415) 621-5239		1957 47th Avenue San Francisco, CA 94116 (415) 731-2385	
Required Forms	Document #	Yes (Y)	No (N)	Yes (Y)	No (N)	Yes (Y)	No (N)	Yes (Y)	No (N)	Yes (Y)	No (N)
Bid	00300	Y		Y		Y		Y		Y	
Addenda Acknowledgment		Y		Y		Y		Y		Y	
Schedule of Bid Prices	00302	Y		Y		Y		Y		Y	
Schedule of Unit Prices	00304	N/A		N/A		N/A		N/A		N/A	
Bid Bond	00411	Y		Y		Y		Y		Y	
Experience & Financial Qualifications	00420	Y		Y		Y		Y		Y	
List of Subcontractors	00430	Y		Y		Y		Y		Y	
Non-Collusion Certification	00481	Y		Y		Y		Y		Y	
HRC Form 1											
HRC Schedule A (as applic. by 5pm)											
HRC Schedule L (as applic. by 5pm)											
HRC Form 2A		Y		Y		Y		Y		Y	
HRC Form 2B		Y		Y		Y		Y		Y	
HRC Form 3		Y		Y		Y		Y		Y	
HRC Form 12B-101		Y		Y		Y		Y		Y	
HRC Form 12B-102		Y		Y		Y		Y		Y	
HRC Form 12B-103		Y		Y		Y		Y		Y	
Apprenticeship Program	00490	Y		Y		Y		Y		Y	
Business Tax Reg Declaration	00491	Y		Y		Y		Y		Y	
Highest General Prevailing Wage	00492	Y		Y		Y		Y		Y	
Equal Opp Empl & Bus Practices: LD	00493	Y		Y		Y		Y		Y	
MacBride Principles	00494	Y		Y		Y		Y		Y	
Deemed Responsive by Engr & HRC (Y/N) ?			N	Y		Y		Y		Y	
Total Bid		\$ 1,318,000.00		\$ 1,348,000.00		\$ 1,395,000.00		\$ 1,408,520.00		\$ 1,470,000.00	
PREFERENCES											
MBE	10%	(\$)		\$ (134,800.00)		\$ (139,500.00)				\$ (147,000.00)	
WBE	10%	(\$)									
LBE	5%	(\$)									
JV	7.5%	(\$)									
JV	10%	(\$)									
Adjusted Bid		\$ 1,186,200.00		\$ 1,213,200.00		\$ 1,255,500.00		\$ 1,306,094.00		\$ 1,323,000.00	

**BID SUMMARY**  
**PORT OF SAN FRANCISCO**

Project: Pier 50 Stnd D Interior Improvements  
Contract No.: 2835

Project Manager: Ed Byrne

Bids Opened: Friday, September 18, 1997, 2 P.M.

Prepared By: Victor Yaw  
Checked By: Rob Lim  
Date: September 23, 1997  
Page 4 of 4

		Angotti & Reilly Inc.		AA Construction Co.					
		325 Fremont Street San Francisco, CA 94105 (415) 777-2222		842 Folsom Street San Francisco, CA 94107 (415) 12-8780					
Required Forms		Document #	Yes (Y)	No (N)	Yes (Y)	No (N)			
Bid		00300	Y		Y				
Addenda Acknowledgment			Y		Y				
Schedule of Bid Prices		00302	Y		Y				
Schedule of Unit Prices		00304	N/A		N/A				
Bid Bond		00411	Y		Y				
Experience & Financial Qualifications		00420	Y		Y				
List of Subcontractors		00430	Y		Y				
Non-Collusion Certification		00481	Y		Y				
HRC Form 1									
HRC Schedule A (as appld. by Spm)									
HRC Schedule L (as appld. by Spm)									
HRC Form 2A			Y		Y				
HRC Form 2B			Y			N			
HRC Form 3				N	Y				
HRC Form 12B-101			Y		Y				
HRC Form 12B-102			Y		Y				
HRC Form 12B-103			Y		Y				
Apprenticeship Program		00490	Y			N			
Business Tax Reg Declaration		00491	Y			N			
Highest General Prevailing Wage		00492	Y			N			
Equal Opp Empl & Bus Practices: LD		00493	Y			N			
MasterBid Principles		00494	Y			N			
Declared Responsive by Engr & HRC (Y/N) ?				N		N			
Total Bid			\$ 1,508,000.00		\$ 1,718,250.00				
PREFERENCES (as applicable):									
MBE	10%		(\$)						
WBE	10%		(\$)						
LBE	5%		\$ (75,300.00)		\$ (85,912.50)				
JV	5%		(\$)						
JV	7.5%		(\$)						
JV	10%		(\$)						
Adjusted Bid			\$ 1,430,700.00		\$ 1,632,337.50				





Item 5 - File 64-97-20

**Department:** Office of Citizen Complaints (OCC)

**Item:** Resolution authorizing an amendment to an existing lease at 480 Second Street for additional office space for the Office of Citizen Complaints (OCC) and providing for retroactivity.

**Location:** Portion of the second floor of the building located at 480 Second Street on the Southwest corner of Second and Stillman Streets.

**Purpose of Lease:** To increase the area of the premises by an additional 2,047 square feet from 6,750 to 8,797 square feet for additional office space for the OCC.

**Lessor:** Cort Family Living Trust

**Lessee:** City and County of San Francisco

**No. of Sq. Ft. and Cost Per Month:** 2,047 square feet @ approximately \$1.15 per square foot per month, for a total of \$2,355 per month.

**Annual Cost:** \$28,260

**Increase over Prior Lease:** The existing lease at 480 Second Street provides approximately 6,750 square feet on the first floor of the building at approximately \$1.15 per square foot, or \$7,750 per month (\$93,000 annually). The proposed lease amendment would result in an increase in square footage of 2,047 square feet (30.3 percent), from 6,750 to 8,797 square feet, and an increase in annual rent of \$28,260 (30.3 percent), from \$93,000 to \$121,260 per year.

**Term of Lease:** October 1, 1997 through June 30, 2001 (3 years and 9 months).

**Utilities and Janitorial Services:** The OCC will pay for separately metered electric service at approximately \$.04 per square foot per month. The cost of additional utilities and janitorial services are included in the proposed rent.

**Right of Renewal:** The City would have the option to extend the term for an additional two periods of five years each at 95 percent of the fair market rent. Mr. Steve Alms of the Real Estate Department advises that the fair market rent would be determined through mutual negotiations between the City and the lessor.

**Source of Funds:** Annual budget of the OCC funded from the General Fund and Airport Revenues.

**Description:** In October of 1995, the Board of Supervisors approved a resolution authorizing a new lease of real property at 480 Second Street on the Southwest corner of Second and Stillman Streets for the OCC (File 64-95-8). The proposed resolution would authorize the OCC to amend this lease to include a portion of the second floor to provide additional office space.

According to Ms. Mary Dunlap, Director of the OCC, the additional space is necessitated by the recent increase of seven positions and the increase of three more positions previously approved by the Board of Supervisors (Files 101-97-36 and 102-97-12). Prior to the staff increases, this site provided an average of 337.5 square feet per employee for 20 employees. This site now provides an average of 250 square feet per employee for the 27 existing employees. The proposed lease amendment would provide the OCC with a total of 8,797 square feet for office space, resulting in an average of 293 square feet per employee for a total of 30 employees.

According to Ms. Dunlap, the reason for this relatively high amount of square feet per employee is that, in addition to open office space, the new space on the second floor contains one conference room and six private offices, which are needed by the OCC in order to conduct confidential interviews with complainants and witnesses. In addition, Ms. Dunlap further advises that the OCC plans to hire at least two interns and/or volunteers who will occupy a portion of the additional space in the spring of 1998.

**Comments:** 1. Mr. Alms reports that the proposed monthly rental cost of \$1.15 per square foot is the same rate negotiated in 1995 for

the OCC's current space on the first floor, and is significantly below the current fair market rent of approximately \$1.75 per square foot for that area.

2. The proposed lease amendment includes a provision that requires the landlord to cooperate, at no cost to the landlord, with the implementation of Ordinance 31-96 (Bicycle Storage at City-owned and leased properties).

3. According to Ms. Meg Robertson of the Human Rights Commission, the landlord is in compliance with the City's Equal Benefits Ordinance.

**Recommendation:** Approve the proposed resolution.



Item 6 - File 64-97-21

**Department:** Department of Human Services (DHS)  
Department of Real Estate (DRE)

**Item:** Resolution authorizing a new lease of real property at 165 Fell Street for the Department of Human Services (DHS)

**Location:** 165 Fell Street

**Purpose of Lease:** To permit the relocation of the administrative offices of 11 Child Welfare Workers (DHS employees known as Juvenile Court Officers) to a location closer to the new Civic Center Courthouse for more efficient operation.

**Lessor:** Taylor Family Trust

**Lessee:** City and County of San Francisco

**No. of Sq. Ft. and Cost Per Month:** 3,300 square feet @ approximately \$1.349 per square foot per month, for a total of \$4,450.53 per month.

**Annual Cost:** \$53,406.36

**Term of Lease:** The lease shall commence on the later of the date of completion of tenant improvements (expected on or about March 1, 1998), or upon approval by the Board of Supervisors and the Mayor, and expires January 31, 2003, for a term of approximately four years and 11 months.

**Utilities and Janitorial Services:** All costs for utilities and janitorial services would be the responsibility of the City.

**Right of Renewal:** The City would have the option to extend the term for an additional two periods of two years each at 95 percent of the fair market rent. Mr. Steve Hoppe of the DRE advises that the fair market rent would be determined through mutual negotiations between the City and the lessor.

**Source of Funds:** 37% Federal Grant Funds, 27% State Grant Funds and 36% General Fund

**Description:**

According to Ms. Rose Chow of the DHS, the Child Welfare Workers are employees of the DHS's Family & Children Services Division. Their main responsibilities include representing DHS through the legal process and managing court calendars for children who become dependents of the court. Their responsibilities range from assisting in establishing court jurisdiction over the child's case through reunification with the parents, placement in foster care, or adoption of the child. These employees are required to appear before Superior Court Judges in the Dependency Unit several times per day. The Superior Court has recently moved to the newly constructed Civic Center Courthouse on McAllister Street.

Currently, the DHS Child Welfare Workers occupy approximately 2,600 square feet in the City-owned Youth Guidance Center at 375 Woodside Avenue. The proposed lease amendment would authorize a new lease of real property at 165 Fell Street for DHS. This would permit the DHS to relocate the DHS Child Welfare Workers from the Youth Guidance Center to a two-story building at 165 Fell Street which is closer to the new Civic Center Courthouse. DHS would rent the first floor and a small mezzanine with a total area of approximately 3,300 square feet. Excluding the mezzanine space of approximately 300 square feet, each employee will have an average of approximately 273 square feet according to Mr. Hoppe.

The proposed lease is estimated to commence on or about March 1, 1998. Tenant improvements include removing walls on the first floor, providing carpeting, lighting, electrical and computer wiring, and installing a security system. Mr. Hoppe advises that the lessor will be responsible for the total tenant improvements estimated to cost \$30,000.

**Comments:**

1. According to Ms. Julie Brenman of DHS, funds for the proposed lease were included in DHS's FY 1997-98 budget, previously approved by the Board of Supervisors.
2. According to Mr. Hoppe, the proposed rent of \$1.349 per square foot represents fair market value.
3. According to Ms. Meg Robertson of the Human Rights Commission, the Taylor Family Trust has not yet submitted



documentation to the Human Rights Commission in response to the requirement that they comply with the Equal Benefits Ordinance. Therefore, approval of the proposed resolution should be contingent upon certification of compliance with the Equal Benefits Ordinance.

4. The proposed lease amendment includes a provision that requires the Landlord to cooperate, at no cost to the Landlord, with the implementation of Ordinance 31-96 (Bicycle Storage at City-owned and leased properties).

**Recommendations:** 1. Amend the proposed resolution making approval of the agreement contingent on Human Rights Commission certification that the lessor is in compliance with the City's Equal Benefits Ordinance.

2. Approve the proposed resolution as amended.



Item 7 - File 101-97-47

**Department:** Fire Department

**Item:** Ordinance appropriating \$900,000 from the General Fund Litigation Reserve to Claims and Judgments and authorizing settlement of litigation between Odelia Braun and the City and County of San Francisco (Superior Court Case No. 969-799), by payment of \$900,000 plus 8.5 percent simple interest to accrue beginning December 16, 1997.

**Amount:** \$900,000

**Source of Funds:** General Fund Litigation Reserve

**Description:** The proposed supplemental appropriation of \$900,000 would settle litigation between Odelia Braun and the City and County of San Francisco. This proposed ordinance would serve the dual purpose of appropriating the funds to settle the litigation as well as authorizing the City Attorney to settle the litigation with Odelia Braun.

The San Francisco Fire Department hired Odelia Braun, a physician, as an employee of the Department to oversee the training of Firefighters in the use of semi-automatic defibrillators. Semi-automatic defibrillators are machines that shock cardiac patients back to life. Dr. Braun brought action against the City for gender discrimination, sexual harassment, retaliation, defamation, and intentional and negligent infliction of emotional distress.

In April 1997, a jury awarded Dr. Braun \$837,000 with interest accruing at an annual rate of seven percent.

This proposed supplemental appropriation of \$900,000 plus interest at 8.5 percent represents a settlement of the jury verdict and of other past and anticipated future related claims against the City, according to Mr. Rick Sheinfeld, Deputy City Attorney.

Memo to the Finance Committee  
January 14, 1997 Finance Committee Meeting

**Comments:**

1. According to the terms of the settlement agreement, simple interest of 8.5 percent on the \$900,000 began to accrue on December 16, 1997. As of January 14, 1998, the estimated amount owed to Dr. Braun under the proposed settlement agreement is \$906,375, including \$900,000 principal and \$6,375 interest at 8.5 percent per annum. The interest payment of \$6,375 would be paid by the Controller from the General Fund Litigation Reserve.

2. Mr. Sheinfield states that if the Finance Committee needs additional information regarding the basis for the proposed settlement, such information should be addressed by the City Attorney's Office in closed session.

**Recommendation:**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 8 - File 97-97-67

**Item:** Ordinance amending Sections 3.20, 3.21, and 3.22 of the Administrative Code to clarify the membership of the Capital Improvement Advisory Committee (CIAC) and to define the role of the City Administrator.

**Description:** The proposed legislation would amend Sections 3.20, 3.21, and 3.22 of the Administrative Code, as follows:

Section 3.20 Capital Improvement Advisory Committee.

- Section 3.20 currently provides that the Mayor's Finance Director, as Chair of the CIAC, choose two department heads to serve on the CIAC for two-year terms. The proposed legislation provides that the Mayor choose any two individuals to serve on the CIAC for two year terms.
- The proposed legislation adds a provision to Section 3.20 which provides that the City Administrator serve as an ex-officio member of the CIAC and have no vote in committee proceedings.
- Section 3.20 currently directs the CIAC to review and advise the Mayor's Finance Office on all capital improvement projects and long-term financing proposals. The proposed legislation deletes mention of the Mayor's Finance Office and directs the CIAC to provide any information necessary for the City Administrator to report to the Board of Supervisors on all capital improvement projects and long-term financing proposals.

Section 3.21 Submittal of Capital Improvement Projects.

- Section 3.21 currently defines the CIAC as an advisory body to the Mayor and the Board of Supervisors. The proposed legislation deletes this definition.
- The proposed legislation adds a provision directing the CIAC to review all capital improvement projects and long-term financing proposals and provide such information as necessary to the City Administrator. Upon receipt of such information, the City Administrator is to submit recommendations to the Board of Supervisors.

- Section 3.21 currently states no funds shall be appropriated for capital improvement projects until the CIAC completes its review of each request for capital improvement funds and submits its recommendation to the Mayor's Office. The proposed legislation would provide that no funds shall be appropriated for capital improvements until the CIAC completes its review of the proposal and the City Administrator makes a recommendation to the Board of Supervisors.
- The proposed legislation adds a provision to the definition of "capital improvement" to exclude the purchase of equipment or lease financing of equipment.

Section 3.22 Submittal of Long-term Financing Proposals

- Section 3.22 currently states that the Board of Supervisors shall not place on the ballot, or authorize the issuance of, any long-term financing measure for capital improvements until the CIAC completes its review of the capital improvement proposal and submits its recommendations to the Board of Supervisors. The proposed legislation deletes this provision. By deleting this provision, the Board of Supervisors can place on the ballot long term financing measures for capital improvements without receiving recommendations from the CIAC or the City Administrator.
- The proposed legislation adds a provision that states if the City Administrator fails to submit a recommendation to the Board of Supervisors on long-term financing measures for capital improvements prior to the Board of Supervisors taking action on such measures, the City Administrator shall be deemed to have approved the financing.

**Comments:**

1. According to Mr. Neal Taniguchi of the Department of Administrative Services, the proposed amendments were recommended by the Mayor's Office of Finance and Legislative Affairs to further clarify the membership of the Capital Improvement Advisory Committee and to define the role of the City Administrator in relation to the CIAC.



2. Although, under the proposed legislation, the City Administrator would not be required to submit recommendations to the Board of Supervisors on long-term financing measures for capital improvements, Mr. Taniguchi reports that, in practice, such nonreporting to the Board of Supervisors is unlikely to occur.

In the professional judgement of the Budget Analyst, the City Administrator should be required to report to the Board of Supervisors on the recommendations of the CIAC for all long term financing measures for capital improvements, prior to the Board of Supervisors taking action on such measures.

- Recommendation:**
1. Amend the proposed ordinance to require that the City Administrator report to the Board of Supervisors on the recommendations of the CIAC for all long term financing measures for capital improvements, prior to the Board of Supervisors taking action on such measures.
  2. Approve the proposed ordinance as amended.



Item 9 - File 172-97-78

**Department:** Recreation and Park Department (RPD)

**Item:** Resolution approving a Second Amendment to the 3COM (Candlestick) Park Stadium Parking Lot Operating Agreement (the Agreement) between the City and County of San Francisco and the San Francisco Giants. The amendment would extend the Agreement until December 31, 1999, to coincide with the amended 3COM Park Stadium Lease (the "Master Lease") between the City and the San Francisco Giants, unless the parties agree to further extend the Agreement due to force majeure<sup>1</sup> in the construction of Pacific Bell Park, and adding new provisions required under City ordinances and deleting a provision no longer required by a City ordinance.

**Description:** In April of 1991, the Recreation and Park Department entered into an Agreement with the San Francisco Giants for the operation of the Stadium parking lot at Candlestick Park. The term of the original Agreement was through the close of the 1994 baseball season. The Agreement called for the Giants to be responsible for the entire operation of the Stadium parking lot. After deducting expenses and parking tax, the Giants organization retained two and one-half percent of the net revenues.

In 1993, after the Giants were sold to San Francisco Baseball Associates, L.P., the Board of Supervisors approved an amendment to the Agreement to allow the Giants to retain all of the net revenues derived from operation of the Stadium parking lot. At that time, the term of the Stadium Parking Lot Agreement was extended through the close of the 1997 baseball season.

In early 1995, the Master Lease for 3Com Park with San Francisco Baseball Associates, L.P., was amended to alter the term of the Master Lease to expire at the conclusion of

---

<sup>1</sup> An unexpected and disruptive event which may operate to excuse a party from a contract.

the 1999 baseball season, unless the City and Giants agree, in their sole discretion, to extend the Master Lease due to force majeure in the construction of Pacific Bell Park.

Under the subject proposed Amendment to the Stadium Parking Lot Agreement, the Agreement would terminate by December 31, 1999, unless the City and the Giants agree, in their sole discretion, to extend the Agreement due to force majeure in the construction of Pacific Bell Park. The "existing" Stadium Parking Lot Agreement expired with the close of the 1997 baseball season.

This subject proposed Amendment would also amend the Stadium Parking Lot Agreement to require that the Giants comply with the following City and County laws (such laws are presently not referenced in the existing Agreement):

Equal Benefits Ordinance  
Burma (Myanmar) Business Prohibition  
McBride Principles - Northern Ireland  
Compliance with Americans with Disabilities Act  
Payment by the Giants of any taxes that may be levied by the City or by the State including Possessory Interest Taxes and California Sales and Use Taxes (Ms. Jaci Fong of the Recreation and Park Department reports that this provision is included on advice of the City Attorney as a standard contractual provision, since the Giants are already required to pay such taxes).

Additionally, the subject proposed Amendment would amend the existing Stadium Parking Lot Agreement to delete Paragraph 20, which concerned compliance with the South African Divestment Ordinance, which is no longer applicable.

**Comment:** Ms. Fong reports that there is no additional cost to the City resulting from the proposed Second Amendment. The Budget Analyst concurs.

**Recommendation:** Approve the proposed resolution.

Item 10 - File 93-97-49

**Department:** Department of Human Resources (DHR)  
San Francisco Fire Department (SFFD)

**Item:** Ordinance adopting and implementing the provisions of a Memorandum of Understanding (MOU) between the Service Employees International Union (SEIU) Local 790, and the City and County of San Francisco for the H-1 Fire Rescue Paramedics, for the two-year period retroactive from July 1, 1997 through June 30, 1999.

**Description:** The proposed ordinance would adopt and implement the provisions of a new Memorandum of Understanding (MOU) between the City and SEIU Local 790, for the classification H-1 Fire Rescue Paramedic. The H-1 Fire Rescue Paramedic classification is a new classification resulting from the transfer of the Paramedic Division from the Department of Public Health (DPH) to the Fire Department, effective July 1, 1997. The proposed MOU is for the two-year period from July 1, 1997 through June 30, 1999. The MOU covers a total of approximately 165 employees, formerly employed by the DPH, who would be eligible to voluntarily transfer from classification 2530, Senior Medical Steward, (2 employees), or classification 2532, Paramedic, (approximately 163 employees), to classification H-1, Fire Rescue Paramedic, under the Fire Department.

The major fiscal provisions of the MOU are summarized as follows:

Salary and Compensation

The proposed MOU would establish the following salary steps effective July 1, 1997. Advancement from Step 1 to Step 2 would occur after completion of six months of service. Advancement to the subsequent three steps would be upon completion of one year of service at the preceding step. The proposed MOU also provides that employees permanently appointed in classification numbers 2530, Senior Medical Steward, or 2532, Paramedic, who transition to H-1 status will be appointed in the same salary step and shall maintain their same step advancement due date.

Salary steps for the H-1 Fire Rescue Paramedics, effective July 1, 1997, would be as follows:

<u>Step</u>	<u>Biweekly Salary</u>	<u>Annual Salary</u>
Step 5	\$2,274	\$59,351
Step 4	\$2,166	\$56,532
Step 3	\$2,063	\$53,844
Step 2	\$1,965	\$51,286
Step 1	\$1,871	\$48,833

The proposed salary steps for Classification H-1 Fire Rescue Paramedic are nearly identical to those for Classification 2532 Paramedic (the Classification H-1 salary steps are approximately \$5.00 greater than Classification 2532 salary steps).

The proposed salary steps for Classification H-1, Fire Rescue Paramedic, are approximately \$168 less than those for Classification 2530, Senior Medical Steward.

The proposed MOU would provide wage increases, totaling five percent over the two-year period of the MOU, to all covered employees based on the following schedule:

<u>Date</u>	<u>Percent Wage Increase</u>
December 27, 1997	1.50 percent
July 1, 1998	2.00 percent
December 26, 1998	<u>1.50</u> percent
Total	5.00

The Controller estimates that these scheduled salary increases will result in increased costs to the City of approximately \$265,596 in FY 1997-98, and the successively incremental amount of \$349,964 in FY 1998-99, for a total cumulative cost over the two-year term of the MOU of \$881,156. The Controller's estimate is based on 165 employees transferring to the H-1 Fire Rescue Paramedic classification.

The Controller estimates that these scheduled salary increases will also result in wage-related fringe benefit costs increases of \$7,755 (net of savings of \$16,467 from not having to pay 6.2 percent Social Security Taxes for H-1 employees)



in FY 1997-98, and the incremental amount of \$10,219 (including savings of \$21,698 from not having to pay 6.2 percent Social Security Taxes for H-1 employees) in FY 1998-99, for a total cumulative cost over the two-year term of the MOU of \$25,729. Overall, the total cumulative cost of salaries and fringe benefits over the two-year term of the MOU would be \$906,885. Additional cost increases are summarized in the Comment Section of this report.

#### Retirement

The proposed MOU provides that those employees transferring from Classification Numbers 2530 or 2532 to Classification H-1 Fire Rescue Paramedic would also transfer from the Miscellaneous Retirement Plan to the Fire and Safety Retirement Plan (the Retirement Plan for Uniformed Firefighters) and that the City shall pay the entire employee's share of contribution to the Employee Retirement System. Further, any employee may purchase for retirement purposes the time worked prior to the permanent date of his or her appointment by paying the retirement contributions which would have been made, at the full rate of interest, according to the procedures of the San Francisco Employees' Retirement Board and applicable law.

According to Mr. Kieran Murphy of the Retirement System, the retirement purchase option is a standard benefit of City employees.

The proposed MOU would require that the Mayor and the Board of Supervisors agree to place on the ballot and support the adoption by the voters of a proposed amendment to the City Charter allowing an H-1 Fire Rescue Paramedic's years of service as a 2532 Paramedic under the Miscellaneous Retirement Plan to be counted as years of service under the Fire and Safety Retirement Plan, which is the Retirement Plan of uniformed Fire Department employees. The proposed Charter Amendment would be placed on the ballot no later than November of 1998. The Mayor and the Board of Supervisors would further agree that if the voters approve the proposed Charter Amendment, the City shall immediately take all actions necessary to implement the changes adopted. Mr. Murphy has estimated that the increased retirement cost to the City would be a one-time

cost ranging between \$4 million and \$10 million, depending on the assumptions and analytical method employed.

The foregoing cost estimate refers to the cost of allowing past service to be credited to the Fire and Safety Retirement Plan, rather than the Miscellaneous Employee Retirement Plan. According to Mr. Murphy, the future additional cost of covering the affected employees under the Fire and Safety Retirement Plan would be approximately nine percent of covered salaries annually, or approximately nine percent of \$9,792,915, which is \$881,362, calculated at Step 5 for 165<sup>1</sup> employees. However, Mr. Murphy states that the annual cost of approximately \$881,362 would not be passed on to the City immediately because it is expected that the Retirement System's current surplus of approximately \$1.1 billion will be sufficient to pay this cost as well as any other City contributions that would otherwise be required for the next 15 years.

The Retirement Section of the proposed MOU further provides that pending voter approval of the Charter Amendment, the City shall establish a Fund of \$115,000 for FY 1997-98 for the purpose of providing additional compensation to H-1 Fire Rescue Paramedics who meet the one of the following conditions: (1) the employee would receive less salary, including base wages, holiday pay, and premiums (not including overtime) than he or she would have received had the employee remained a full-time 2532 Paramedic; (2) senior employees with eight or more years of service who would receive lower retirement benefit increases. To be eligible for payments from the proposed Fund, an employee would be required to submit a written request for payment to the Fire Department by no later than June 30, 1998.

The Retirement Section of the proposed MOU also specifies how the aforementioned compensating funds would be allocated to employees.

The Retirement Section of the proposed MOU further

---

<sup>1</sup>As of the writing of this report, 155 incumbents the classification 2532 Paramedic positions have elected to transfer to classification H-1 Fire Rescue Paramedic.

Memo to Finance Committee

January 14, 1998, Meeting of Finance Committee

Revised 1/12/98

Item 93-97-49

provides that for FY 1998-99, the City shall establish an additional Fund of \$115,000, to be used for the same purposes as set forth above for FY 1997-98. The amount of the Fund in FY 1998-99, however, may increase up to a total for that fiscal year of \$350,000 if the Controller certifies that additional revenues are received by the Fire Department due to a reduced number of referrals of emergency calls to private ambulances because of the increased number of available ambulances that are staffed by H-1 Fire Rescue Paramedics on a 24 hour shift. According to the proposed MOU, the certified additional revenues would be offset by the increased expenses for medical supplies, fuel, and vehicle repairs incurred as a result of the reduced reliance on private ambulances.

With respect to the potential additional Retirement System costs which would result from the City's electorate voting to amend the Charter to permit employees transferring previous service from the Miscellaneous Retirement Plan to the Fire and Safety Retirement Plan, the Controller states that the potential costs of such a provision would range widely, depending on the language of the amendment, wage rates, MOU provisions, the number of employees affected, and other factors. The Controller has also stated that the future additional cost of covering the affected employees under the Fire and Safety Retirement would not be passed on to the City immediately because of the current surplus in the Retirement System.

#### Hours

H-1 Fire Rescue Paramedics who are assigned to fire suppression and rescue duties (which, according to the EMS Division Chief, Richard Shortall, would total approximately 99 percent of all H-1 Fire Rescue Paramedics) shall work a 24-hour shift and a 48-hour average work week, on an alternating three shift (A,B,C) work schedule and a 21-day tour of duty. The 24-hour shift shall commence at 8:00 a.m. and continue through to 8:00 a.m. the following day. If the City or some other governmental entity determines that H-1s are not eligible for the Fair Labor Standard Act (FLSA) 29 U.S.C. 207(k) overtime exemption (i.e., if the H-1 classification is exempt from mandatory overtime payment laws), the City and the Union shall meet to discuss the

DOCUMENTS DEPT.

JAN 14 1998  
SAN FRANCISCO  
PUBLIC LIBRARY

establishment of new shift schedules. In the event of a loss of the FLSA exemption and upon two weeks notice to the Union and to the affected employees, the Chief of the Fire Department shall have the authority to change work schedules, subject to operational needs. If there is a loss of the FLSA exemption, as specified above, Section 6 (Salary and Compensation) and/or any other applicable Section of this Agreement may be reopened by either party, pursuant to Charter Section A8.590.

#### Overtime Compensation

Overtime shall be defined as hours worked in excess of the normal hours as set forth in the preceding Section. Overtime shall be calculated and paid on the basis of the total number of straight-time hours actually worked. For the purposes of this section statutory holidays and pre-scheduled vacation shall be counted as hours worked. For Fire Rescue Paramedics assigned to fire suppression and rescue duties, overtime would be based on time worked in excess of 96 hours per pay period.

#### Holidays

Compensation for working on any of the specified holidays shall be made on the basis of time and one-half, pursuant to Charter Section A8.452.

#### Compensatory Time

The maximum amount of accumulated compensatory time shall be 480 hours.

All accrued compensatory time for Classification 2530 and Classification 2532 will be accepted and converted on a basis similar to the Department's rules for vacation and sick time, subject to a 480 hour maximum, on a one-time basis, as a result of the transfer of function.

#### Staff Duty Assignment Pay

Represented employees assigned by the Chief of Department to a staff duty assignment (staff duty assignment is an assignment to administrative duties) shall receive an



provides that for FY 1998-99, the City shall establish an additional Fund of \$115,000, to be used for the same purposes as set forth above for FY 1997-98. The amount of the Fund in FY 1998-99, however, may increase up to a total for that fiscal year of \$350,000 if the Controller certifies that additional revenues are received by the Fire Department due to a reduced number of referrals of emergency calls to private ambulances because of the increased number of available ambulances that are staffed by H-1 Fire Rescue Paramedics on a 24 hour shift. According to the proposed MOU, the certified additional revenues would be offset by the increased expenses for medical supplies, fuel, and vehicle repairs incurred as a result of the reduced reliance on private ambulances.

With respect to the potential additional Retirement System costs which would result from the City's electorate voting to amend the Charter to permit employees transferring previous service from the Miscellaneous Retirement Plan to the Fire and Safety Retirement Plan, the Controller states that the potential costs of such a provision would range widely, depending on the language of the amendment, wage rates, MOU provisions, the number of employees affected, and other factors. The Controller has also stated that the future additional cost of covering the affected employees under the Fire and Safety Retirement would not be passed on to the City immediately because of the current surplus in the Retirement System.

#### Hours

H-1 Fire Rescue Paramedics who are assigned to fire suppression units (which, according to the EMS Division Chief, Richard Shortall, would total approximately 99 percent of all H-1 Fire Rescue Paramedics) shall work a 24-hour shift and a 48-hour average work week, on an alternating three shift (A,B,C) work schedule and a 21-day tour of duty. The 24-hour shift shall commence at 8:00 a.m. and continue through to 8:00 a.m. the following day. If the City or some other governmental entity determines that H-1s are not eligible for the Fair Labor Standard Act (FLSA) 29 U.S.C. 207(k) overtime exemption (i.e., if the H-1 classification is exempt from mandatory overtime payment laws), the City and the Union shall meet to discuss the

establishment of new shift schedules. In the event of a loss of the FLSA exemption and upon two weeks notice to the Union and to the affected employees, the Chief of the Fire Department shall have the authority to change work schedules, subject to operational needs. If there is a loss of the FLSA exemption, as specified above, Section 6 (Salary and Compensation) and/or any other applicable Section of this Agreement may be reopened by either party, pursuant to Charter Section A8.590.

#### Overtime Compensation

Overtime shall be defined as hours worked in excess of the normal hours as set forth in the preceding Section. Overtime shall be calculated and paid on the basis of the total number of straight-time hours actually worked. For the purposes of this section statutory holidays and pre-scheduled vacation shall be counted as hours worked. For Fire Rescue Paramedics assigned to fire suppression units, overtime would be based on time worked in excess of 96 hours per pay period.

#### Holidays

Compensation for working on any of the specified holidays shall be made on the basis of time and one-half, pursuant to Charter Section A8.452.

#### Compensatory Time

The maximum amount of accumulated compensatory time shall be 480 hours.

All accrued compensatory time for Classification 2530 and Classification 2532 will be accepted and converted on a basis similar to the Department's rules for vacation and sick time, subject to a 480 hour maximum, on a one-time basis, as a result of the transfer of function.

#### Staff Duty Assignment Pay

Represented employees assigned by the Chief of Department to a staff duty assignment (staff duty assignment is an assignment to administrative duties) shall receive an



additional \$181.00 biweekly.

- a. Effective December 27, 1997 staff duty assignment pay shall increase one and one-half percent (1.5%), or by \$2.72 to a total of \$183.72 biweekly.
- b. Effective July 1, 1998, staff duty assignment pay shall increase two percent (2%), or by \$3.67 to a total of \$187.39 biweekly.
- c. Effective December 26, 1998, staff duty assignment pay shall increase one and one-half percent (1.5%), or by \$2.81 to a total of \$190.20 biweekly.

The aforesaid payments shall not be considered as part of an employee's salary for the purpose of computing straight time earnings, compensation for overtime worked, premium pay, retirement benefits or retirement contributions; nor shall such contributions be taken into account in determining the level of any other benefit which is a function of or percent of salary.

#### Premium Pay

- A. Preceptor (Instructor) Pay. Employees designated as Preceptor or Field Training Officer (FTO) shall receive a premium of eight percent (8%) when actually performing in that capacity. Based on the pay scales that would be effective July 1, 1997, the additional cost would range from \$149.68 to \$181.92 on a biweekly basis.
  - 1) Consistent with Departmental rules and regulations, for courses required to qualify as a preceptor the Department either:
    - will provide training opportunities, or
    - will reimburse fees for those courses, subject to advance approval of the Chief of the Fire Department.
  - 2) The Department may designate no more than thirty preceptor slots at any one time.

- 3) Any H-1 Fire Rescue Paramedics may bid for a designated preceptor slot. In the event an H-1 without preceptor status bids into a designated preceptor slot, he/she shall have one year to meet the preceptor qualifications. There shall be no more than one designated preceptor slot per ambulance per shift at any one time.
- B. Employees who are qualified Hazardous Materials (HAZ MAT) Technicians shall receive \$26.50 achievement pay, payable biweekly.
- C. H-1 Fire Rescue Paramedics will be eligible for the Fire Department's bilingual Program at a rate of \$36.00 Biweekly. The Department will commence to meet and confer on the implementation of this program no later than October 1, 1997.
- D. H-1 Fire Rescue Paramedics shall be paid a 5 percent Paramedic/Fire Suppression Premium for all hours worked. The Controller estimates that the premium pay provision would result in an incremental cost of \$482,902 in FY 1997-98, and an incremental cost of \$13,280 in FY 1998-99, for a total cumulative cost over the two-year term of the MOU of \$496,182.
- E. Preceptor, Fire Suppression and Bilingual premiums may be stacked with either the Haz Mat pay or the Education Incentive Pay.
- F. There shall be no pyramiding of premiums.
- G. Premium payments provided in this section shall be considered as part of an employee's regular rate of pay for the purpose of computing overtime pay due under this agreement to the extent required by the Fair Labor Standards Act, but shall not be considered as part of an employee's salary for the purpose of computing straight time earnings or premium pay and shall not be included in the calculation of retirement benefits or any other benefit which is a function of or percentage of salary.

Education Incentive Pay

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

In furtherance of encouraging individual development through a comprehensive educational program, there shall be established at \$20 biweekly (\$522, annually) premium pay for those employees who have obtained an AA, BA, MA or MS in Paramedicine, Emergency Medical Services, Fire Science, Health Sciences or a Health Science related field such as biology, physiology, psychology or sociology, nursing, or a related field determined to be relevant to the paramedic services as determined by the Medical Director.

#### Safety and Health

The Department shall make available to all interested H-1's, full cross-training as H-3 Firefighter Paramedics within a reasonable time based on budgetary restrictions and operational constraints.

The Department shall furnish and thereafter maintain at no cost to the employee all respiratory apparatus, helmets, hoods, gloves, protective clothing, hearing protectors, and personal alarm devices. The Department shall make available ballistic vests and protective eye wear to on duty Fire Reserve Paramedics. Additional safety items shall be provided subject to the recommendation of the H-1 Advisory Committee or the Safety committee and with the approval of the Chief of the Fire Department.

The Department shall maintain a communications system that ensures direct contact of ambulances with each other and with the dispatch center. The Department intends to implement a communications system that will establish direct contact between all field units and with the dispatch center.

The Department further agrees that at the option of the paramedic, immunizations shall be provided for 1) hepatitis B; 2) tetanus-diphtheria; 3) rubella; 4) measles; 5) polio; and 6) influenza. In the event an employee has a health plan made available through the City, and such plan provides for immunizations at no cost to the employee, such plan may be utilized to fulfill the provisions of this paragraph. Annual tuberculosis screening shall also be provided. Medical treatments and immunizations shall also be provided for any other diseases as recommended by the Department Physician

and approved by the Chief of the Fire Department.

### Uniforms

All uniforms required of employees in the performance of their duties shall be furnished without cost to the employees by the employer. The employees shall maintain their uniforms in serviceable condition.

Each H-1 Fire Rescue Paramedic initially shall be issued three (3) shirts and two (2) trousers. Uniforms shall be issued thereafter on a repair or replace basis.

All other applicable uniform items including safety boots, belts, jackets, rain gear, and utility belts and, as approved by the Chief of the Fire Department, other applicable items deemed necessary by the equipment committee or the H-1 Advisory Committee, will be supplied by the Department on a repair or replace basis.

Subject to approval of the Chief of the Fire Department, if any equipment or uniform item is soiled with hazardous materials or biological agents, the Department shall either clean or replace such uniforms or equipment in a timely manner.

### Physical Fitness Program

A Joint Labor Management Physical Fitness Committee consisting of four employees, two appointed by the Chief of the Fire Department and two by the Union, shall develop a physical fitness program for the H-1 Fire Rescue Paramedics.

### Employee Assistance Program

The City shall make available to H-1 Fire Rescue Paramedics the current Stress program which is available for Fire Department personnel and the City's Employee Assistance program. H-1 Fire Rescue Paramedics shall continue to be provided access to the current Critical Incident Stress Debriefing Team, unless the parties agree to an alternative program.

### Staffing

Deployment of personnel shall be at the discretion of the Chief of Department, subject to the following criteria:

Assuming available personnel and demand, the Department will maintain 16, 24-hour Advanced Life Support (ALS) ambulances. During the term of this two-year Agreement, two Paramedics routinely will be scheduled to staff each of these ALS ambulances. This provision shall not apply to a limited one Paramedic/one Emergency Medical Technician pilot program occurring on or after March 1, 1999.

Staffing levels and measures shall be monitored by a joint San Francisco Fire Department/Union U:UH<sup>2</sup> Ratio and Staffing Committee, consisting of six employees, three of whom would be appointed by the Chief of the Fire Department, and three of whom would represent the Union and consist of two H-1 Fire Rescue Paramedics and one 2532 Paramedic. If after six months of 24-hour shifts for H-1 Fire Rescue Paramedics there is no agreement on appropriate staffing measures, including staffing in Dispatch/Radio, Sections 27A (the provisions of the preceding paragraph) and 28 (Unit Utilization Hour Ratio, discussed below) may be reopened by either party, pursuant to Charter Section A8.590.

Dispatch/Radio shall be regularly and routinely staffed with three (3) licensed paramedic (2532, H-1 Fire Rescue Paramedic, H-3 Firefighter Paramedic, 2534 Fire Rescue Captain) on duty 24 hours per day, seven days per week.

This provision is not intended to alter the staffing levels of H-2 firefighters or any other class in Dispatch/Radio.

The Department certifies that there have not been and there will not be layoffs of permanent employees that result from the transfer of the Paramedic Division to the Fire Department.

---

<sup>2</sup> U:UH stands for Unit Utilization Hour. The U:UH Ratio standards are discussed in the following section.



#### Unit Utilization Hour (U:UH) Ratio

The City shall consider implementing applicable International Association of Fire Fighters (IAFF) U:UH ratio standards for 24 hour ambulances. As a part of its commitment to making the actual workload as reasonable and equitable as possible, the Fire Department would establish a joint San Francisco Fire Department/Union U:UH and Staffing Committee. The purpose of the U:UH Ratio and Staffing Committee would be to evaluate workload and staffing and recommend corrective actions, as necessary, to the Chief of the Fire Department.

#### Health and Dental Insurance

The City shall continue to provide contributions for health benefits as may be available through the Health Services System for members at the rate of \$197/monthly or at the rate set as presently prescribed in charter Sections A8.423 through A8.428, whichever is greater, provided however that any increase to employee premium coverage above such rate shall be increased in order to maintain the current level of coverage.

The City shall contribute \$225/monthly towards member's dependent (including domestic partners) health coverage.

The City shall provide Dental Benefits at the existing level.

The health and Dental contributions, to be paid to the Health Services System, are not to be considered as a part of the employee's salary for the purpose of computing straight time earnings, overtime, premium pay, or retirement.

Members shall be permitted to choose the available health plan in which they wish to enroll.

#### Disability Limited Duty Assignments

Employees covered under this MOU who are absent from work due to work-related disability may perform other duties ("limited duty") in the Fire Department that are compatible with the employee's disability. Releases to limited duty will



be approved by the Department physician after consideration of the medical opinions of the treating physician and/or the Employees' Retirement Board physician. In the event of a disagreement between the employee, the Employees' Retirement Board and/or any of the physicians, the issue of limited duty shall be decided by an independent hearing officer, per Charter Section A8.518. Limited duty may include clerical and administration. Nothing in this section shall preclude the employee's rights under the Workers' Compensation process.

Short-term Limited Duty shall be for up to 8 months duration. Long-term Limited Duty shall be any term in excess of 8 months.

Employees covered under this MOU who are absent from work due to non-work related disability may be assigned at the discretion of the Chief of Department to short-term Limited Duty.

Members who are capable of being rehabilitated to return to full firefighting and ambulance duties and/or who qualify for service retirement shall be eligible for assignments designated as short-term Limited Duty.

A long-term Limited Duty assignment will not be made for a member who has filed for retirement, has 25 years of service and has reached age 50, except when the member requests and qualifies for such long-term Limited Duty assignment.

Limited Duty will not be offered as a punitive measure or as a deterrent to (a) retirement for industrial disability when qualified for service retirement or (b) withheld on an arbitrary basis for those qualified to fill designated Limited Duty assignments.

#### Employee Training Reimbursement Program

The Department shall establish and maintain a \$3,000 Fund for the purposes of an employee training reimbursement program for tuition reimbursement of up to \$250 per member during each fiscal year, subject to the policies and procedures of the Department of Human Resources or as otherwise established by the Labor Management Committee.

Memo to Finance Committee  
January 14, 1998, Meeting of Finance Committee

File 93-97-49

At the discretion of the Chief of the Fire Department, the City may provide non-mandatory courses and training that may further career development of employees. Unless otherwise determined by the Chief, members choosing to participate in these non-mandatory courses or training, do so at their own expense and without compensation.

Labor-Management Committee

There shall be a Labor-Management Committee consisting of three rank-and-file H-1 Fire Rescue Paramedics chosen by the union and three Fire Department representatives. The Committee shall meet regularly at reasonable times or specially at the request of either side, to discuss all matters of mutual concern.

Summary of Known Estimated Costs of the Proposed Two-year MOU Between the City and the SEIU

The proposed two-year MOU contains provisions which the Controller estimates to have a cumulative cost of \$2,115,970, not including Retirement System costs, as shown in the attachment to this report. On an annual basis, such increases to compensation would amount to 9.0 percent of the H-1 Rescue Paramedics salary base in 1997-98 and 3.7 percent in 1998-99. Certain other costs included in the MOU, such as Staff Duty Assignment Pay, Education Incentive Pay, and the Employee Training Reimbursement Program, cannot be estimated at this time. Further, the effects of transitioning to a 24 hour per shift and 48 hour per week work schedule cannot be accurately determined without performance data.

The Budget Analyst concurs with the Controller's cost estimate for funding the transfer of Classification 2530 Senior Medical Steward and Classification 2532 Paramedic to Classification H-1 Fire Rescue Paramedic.

**Comment:**

1. The proposed MOU contains various new, non-economic provisions related to grievance procedures, maternity/paternity leave, shift exchange, seniority and shift bidding, etc.

**Recommendation:**

Approval of the proposed MOU is a policy decision for the Board of Supervisors.

BOARD OF SUPERVISORS  
BUDGET ANALYST

DOCUMENTS DEPT.

JAN 14 1998  
SAN FRANCISCO  
PUBLIC LIBRARY

be approved by the Department physician after consideration of the medical opinions of the treating physician and/or the Employees' Retirement Board physician. In the event of a disagreement between the employee, the Employees' Retirement Board and/or any of the physicians, the issue of limited duty shall be decided by an independent hearing officer, per Charter Section A8.518. Limited duty may include clerical and administration. Nothing in this section shall preclude the employee's rights under the Workers' Compensation process.

Short-term Limited Duty shall be for up to 8 months duration. Long-term Limited Duty shall be any term in excess of 8 months.

Employees covered under this MOU who are absent from work due to non-work related disability may be assigned at the discretion of the Chief of Department to short-term Limited Duty.

Members who are capable of being rehabilitated to return to full firefighting and ambulance duties and/or who qualify for service retirement shall be eligible for assignments designated as short-term Limited Duty.

A long-term Limited Duty assignment will not be made for a member who has filed for retirement, has 25 years of service and has reached age 50, except when the member requests and qualifies for such long-term Limited Duty assignment.

Limited Duty will not be offered as a punitive measure or as a deterrent to (a) retirement for industrial disability when qualified for service retirement or (b) withheld on an arbitrary basis for those qualified to fill designated Limited Duty assignments.

#### Employee Training Reimbursement Program

The Department shall establish and maintain a \$3,000 Fund for the purposes of an employee training reimbursement program for tuition reimbursement of up to \$250 per member during each fiscal year, subject to the policies and procedures of the Department of Human Resources or as otherwise established by the Labor Management Committee.

At the discretion of the Chief of the Fire Department, the City may provide non-mandatory courses and training that may further career development of employees. Unless otherwise determined by the Chief, members choosing to participate in these non-mandatory courses or training, do so at their own expense and without compensation.

Labor-Management Committee

There shall be a Labor-Management Committee consisting of three rank-and-file H-1 Fire Rescue Paramedics chosen by the union and three Fire Department representatives. The Committee shall meet regularly at reasonable times or specially at the request of either side, to discuss all matters of mutual concern.

Summary of Known Estimated Costs of the Proposed Two-year MOU Between the City and the SEIU

The proposed two-year MOU contains provisions which the Controller estimates to have a cumulative cost of \$2,115,970, not including Retirement System costs, as shown in the attachment to this report. On an annual basis, such increases to compensation would amount to 9.0 percent of the H-1 Rescue Paramedics salary base in 1997-98 and 3.7 percent in 1998-99. Certain other costs included in the MOU, such as Staff Duty Assignment Pay, Education Incentive Pay, and the Employee Training Reimbursement Program, cannot be estimated at this time. Further, the effects of transitioning to a 24 hour per week work schedule cannot be accurately determined without performance data.

The Budget Analyst concurs with the Controller's cost estimate for funding the transfer of Classification 2530 Senior Medical Steward and Classification 2532 Paramedic to Classification H-1 Fire Rescue Paramedic.

**Comment:**

1. The proposed MOU contains various new, non-economic provisions related to grievance procedures, maternity/paternity leave, shift exchange, seniority and shift bidding, etc.

**Recommendation:**

Approval of the proposed MOU is a policy decision for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



## CITY AND COUNTY OF SAN FRANCISCO

## OFFICE OF THE CONTROLLER

Edward Harrington  
Controller

John W. Madden  
Chief Assistant Controller

January 9, 1998

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: H-1 Fire Rescue Paramedic MOU

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of the Memorandum of Understanding between the City and County of San Francisco and SEIU Local 790 for H-1 Fire Rescue Paramedics. The agreement covers the period July 1, 1997 through June 30, 1999, and affects approximately 165 employees with a salary base of approximately \$9.6 million.

Based on our analysis, the agreement will result in estimated incremental costs of approximately \$871,000 in FY 1997-98, and \$373,000 in FY 1998-99. The agreement will result in annual cost increases of approximately 9.0% and 3.7% over the two fiscal years. Please see Attachment A for specific cost estimates.

The MOU provides that the city will place a Charter amendment on the ballot which would allow fire paramedics to receive credit under the Fire and Safety Retirement plan for the years they have served under the Miscellaneous Retirement plan. The potential costs of such a provision would range widely, depending on the language of the amendment, wage rates, MOU provisions, the number of employees affected, and other factors.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

Edward M. Harrington  
Controller

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst



Attachment A  
H-1 Rescue Paramedics SEIU  
Estimated Costs 1997-98 through 2000-01  
Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>
<b>Wage Increases</b>		
2% on 7/1/97 and 1.5% on 12/27/97	\$265,596	
2% on 7/1/98 and 1.5% on 12/26/98		\$349,964
<b>Wage-Related Fringe Increases</b>		
Fringe Costs	24,222	31,917
Social Security/Medicare Savings	(16,467)	(21,698)
<b>Premium Pay Increases</b>		
Paramedic/Fire Suppression Premium 5%	482,902	13,280
<b>Additional Compensation Fund</b>	115,000	115,000*
<b>Total Estimated Incremental Costs</b>	<u>871,254</u>	<u>373,463</u>
<b>Annual Amount Above 1996-97 Level</b>	871,254	1,244,716
<b>Cumulative Total Above 1996-97 Provisions</b>		2,115,970
<b>Incremental Cost % of Salary Base</b>	9.02%	3.74%

\* The MOU provides that a Charter amendment will be placed on the ballot allowing fire paramedics to receive credit in the Fire and Safety Retirement Plan for their previous years of service under the Miscellaneous Retirement Plan. If the amendment is approved by the voters, the city will not be required to establish the additional compensation fund in FY 1998-99.



Item 11 - File 98-18

**Department:** Department of Telecommunications and Information Services (DTIS)

**Item:** Ordinance appropriating San Francisco Finance Corporation (SFFC) Lease Revenue Bond proceeds for Professional Services to provide a Citywide Emergency Radio System for the Department of Telecommunications and Information Services (DTIS) for FY 1997-98.

**Amount:** \$35,000,000

**Source of Funds:** San Francisco Finance Corporation (SFFC) Lease Revenue Bonds, Series 1998-I

**Description:** The City is currently undertaking an E-911 Project with the objective of improving the City's emergency response capabilities by integrating the City's (1) new, permanent Enhanced Computer Aided Dispatch (CAD)/Automated Information System (AIS); (2) the MHz Citywide Emergency Radio System; (3) the data radio system, (4) the Police Department Mobile Computing system, and (5) the 911 telephone system. The current cost estimate for the E-911 Project is \$166,370,823. Attachment 1 contains a budget and funding sources for the entire E-911 Project.

The Emergency Radio System Project, consisting of a new Citywide 800 MHz trunked radio system and 800 MHz wireless data transmission system, would replace most of the City's existing conventional radio systems and integrate with the City's existing 800 MHz radio system. The Project would provide state-of-the-art radio systems utilizing standard communication formats, common supporting infrastructure, and standardized equipment for all users. Installation of the Project would enable the City's public safety agencies to provide enhanced delivery of various services related to protection of life, health, property and safety within the City by increasing in-building radio communications coverage, including coverage in high-rise buildings, as well as enhanced communications on streets; complete intercommunication between public safety departments; increased capacity for voice and wireless data transmission; and greater system reliability during emergencies and natural disasters.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The new radio system would primarily serve the following departments and would integrate with the existing system: Police, Fire, Public Health, Sheriff, Parking and Traffic, Water, Recreation and Parks and Mayor's Office of Emergency Services. The Emergency Radio System would provide a multi-site simulcast system with a digital base system to achieve the service objectives. The base system would require a total of 8 radio antenna site locations to provide optimum communications

In August of 1997, the Board of Supervisors approved a resolution authorizing the execution of a Master Agreement between the City and Motorola Communications and Electronics, Inc. to provide an 800 MHz Citywide Emergency Radio System (File No. 172-97-52) and a resolution which authorizes the Director of Property to enter into various lease agreements related to construction of antenna sites associated with the Emergency Radio System (File 172-97-53).

In 1993, San Francisco voters approved Proposition H which authorized the lease financing of an Emergency Radio System through the issuance of lease revenue bonds in an aggregate principal amount not to exceed \$50,000,000. The proposition authorized the Board of Supervisors to approve the lease financing of the emergency radio system for the City through a non-profit public benefit corporation, the San Francisco Finance Corporation (SFFC). In December of 1997, the Board of Supervisors authorized the sale of not to exceed \$35,000,000 of these bonds, leaving an unsold capacity under this bond issue of \$15,000,000 (File 170-97-11).

The proposed supplemental appropriation would appropriate \$35,000,000 of SFFC Lease Revenue Bond (Series 1998-I) funds for a portion of the Master Agreement with Motorola for the Emergency Radio System. In addition, the proposed funds would be used to purchase furniture and equipment for the E-911 operators, for costs related to the issuance of the SFFC Lease Revenue Bonds, and to establish required interest and reserve funds.

Mr. Mike Martin, Project Manager of the Emergency Radio System Project of DTIS, advises that the proposed legislation

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

was drafted before the SFFC Lease Revenue Bonds, Series 1998-I, were sold. Mr. Martin advises that the actual amount of SFFC Lease Revenue Bonds, Series 1998-I, funds that the DTIS requests to be appropriated is \$31,192,525 and not \$35,000,000. Therefore, the proposed ordinance should be reduced by \$3,807,475, from \$35,000,000 to \$31,192,525.

**Budget:**

A budget summary for the proposed \$31,192,525 is as follows:

Motorola Communications and Electronics, Inc.

Construction Upgrades to Transmission Sites	\$5,445,508
Fixed Network Equipment	11,226,859
Wireless Data Network	1,280,988
Portable Mobile Test Equipment	833,281
Dispatch Equipment	1,940,863
Construction Management/Engineering	3,992,344
Installation	2,424,587
Training	<u>441,163</u>
Total to be paid to Motorola	\$27,585,593
Console Furniture (See Comment No. 1)	900,000
Interest Earnings*	(702,556)
Interest Fund	76,167
Debt Service Reserve Fund	2,523,032
Costs of Issuance	804,020
Contingency	<u>6,269</u>
<b>Total</b>	<b>\$31,192,525</b>

\* Estimated interest earnings over the life of the construction project.

Attachment 2, provided by DTIS, provides supporting budget details for the Motorola, Inc. contract items listed above.

**Comments:**

1. Ms. Lisa Harris, of the E-911 Project of DTIS, advises that the amount of \$900,000 for Console Furniture will be used to purchase 69 consoles and related specialized equipment for E-911 operators at an average cost of \$13,043 each.

2. According to Mr. Martin, the Emergency Radio System Project has a total estimated cost of \$58,646,152. Mr. Martin advises that the \$58,646,152 total Emergency Radio System Project cost will be funded as follows: (a) \$31,192,525, or approximately 53 percent, by the subject supplemental appropriation of SFFC Lease Revenue Bonds (such bonds will be repaid through the annual appropriation of General Fund revenues in the Fire, Police and Public Health

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Department's budgets); (b) \$18,807,475, or approximately 32 percent, by a future supplemental appropriation of SFFC Lease Revenue Bonds (also to be repaid through the annual appropriation of General Fund revenues in the Fire, Police and Public Health Department's budgets); (c) \$8,000,000, or 14 percent, has already been paid toward the Project through prior year General Fund expenditures, and (c) \$646,152, or 1 percent, in additional General Fund monies (the majority of which will be included in future appropriation requests) which will be used to pay for antenna leases. Attachment 3 shows the estimated total project costs of the Emergency Radio System of \$58,646,152.

Funding for the Emergency Radio System is completely independent of the 911 Emergency Fund, and is therefore not contingent on the Emergency Response Fee of \$1.00 per month for each eligible telephone access line and \$5.00 per month for each eligible trunk line.

3. As noted above, in August of 1997, the Board of Supervisors approved a resolution authorizing the execution of a Master Agreement between the City and Motorola to provide the subject Emergency Radio System (File No. 172-97-52). This contract was awarded on a sole source basis and, therefore, Motorola's compliance with the Equal Benefits Ordinance was waived by the Human Rights Commission.

- Recommendations:**
1. Reduce the proposed supplemental appropriation ordinance by \$3,807,475, from \$35,000,000 to \$31,192,525, as requested by DTIS.
  2. Approve the proposed ordinance, as amended.

## E-911 Project

### Summary:

Voters in June 1994 approved Proposition B which authorized funding for a new emergency communication center and in November 1993, voters approved Proposition H to fund a Citywide radio system. The center was to perform two primary functions: Serve as an E-911 dispatch center for all emergency functions, and operate as a command center in times of major emergencies. Emergency response functions include 911 call taking and dispatch for Police Fire and Ambulance services. The facility will also house the Mayor's Office of Emergency Services, Emergency Communications Center, and related support facilities for the Department of Telecommunications and Information Services. The E-911 Project can be loosely grouped into the following components:

- E-911: A new computer system that will aid in the dispatch of emergency personnel (Computer Aided Dispatch - CAD). New technology will also enhance record management and scheduling among many other things to generally improve the efficiency and effectiveness of the system (Automated Information Systems - AIS).
- Combined Emergency Communications Center (CECC): A facility at Turk and Laguna streets that will serve as the building where all E-911 functions would be housed and operate from.
- Telephone Call Delivery System: A new system that will connect callers to the 911 dispatch system.
- Miscellaneous "Support Systems": This is a collection of functions that includes critical items linking various parts of the project together. For example, Support Systems includes design and production of dispatch consoles, logging recorders, wiring for local area networks, upgraded fire alarm monitoring, mobile computing terminals etc.
- 800 MHz Citywide Radio System: The system will improve the speed and quality of the City's wireless communications.

### Current Project Status

Since it was originally envisioned in 1994, the project has grown in both size and scope. In addition, technology changed and improved, particularly in the area of the wireless communications. In March 1997, the City hired a consultant to assess the impact of these changes on forecasted project budgets and scheduling. Based on an extensive review, the consultant made certain findings that have been reviewed and clarified by City staff. In the main, the consultant found the project budget had grown from \$131 million to \$167 million, and that the project would not be complete until November 1999, four months after the envisioned July 1999 completion date.



A detailed project budget, showing original estimates vs. current estimates is attached. The financial status of the various portions of the project are summarized below:

CURRENT BUDGET/ESTIMATE BREAKDOWN			
Project Area	Est. Project Cost 1996 \$(000)	Current Est Project Cost	VARIANCE \$(000)
800 MHz Radio	58066	58066	0
Automated Information Systems (AIS)	10200	10818	-618
Computer-Aided Dispatch (CAD)	4500	20873	-16373
E-911 Project Management	4210	9926	-5716
CECC Facility	24273	25274	-1001
Communications/Telephony /Support Systems	11125	17207	-6082
Other Costs	19577	23156	-3579
Training		1050	-1050
<b>TOTALS</b>	<b>131951</b>	<b>166370</b>	<b>-34419</b>

#### Discussion:

As shown in the above table, a \$34.4 million shortfall exists between the project as it was originally envisioned, and the current budget. The major variances are as follows:

- Computer Aided Dispatch/Automated Information System: Initial estimates did not anticipate all end user requirements. For example, as originally envisioned, these computer systems did not include record management and scheduling.
- CECC Facility: The CECC Facility costs increased in the main because the facility is twenty-five percent larger than the facility that was originally envisioned, and because the cost of building materials has risen since original estimates were made.
- Project Management: Initial estimates of the project management costs did not make provisions for professional services to integrate the group of projects. Those costs have now been included.
- Project Contingency: Although the CECC construction and 800 Mhz components of this project have their own contingency, no provisions were made for an overall "Project Contingency." The revised budget includes a \$13.8 million Project Contingency (roughly 10 percent of the project cost, excluding the CECC and 800 Mhz project) intended to cover unanticipated changes in the project. The contingency costs are spread across the project.



- Financing: Overall financing costs for the project have risen, (identified above as "other costs") due to an increase in the amount of hardware equipment that will be financed with lease revenue bonds and an extension of repayment for the CECC bonds.

Commencement of construction for the Combined Emergency Command Center, which began June 23, 1997, requires that all phases of the E-911 project move forward expeditiously. To that end, various activities have been undertaken. Significantly, approval is being sought to increase the City's E-911 fee to close the \$34.4 million funding gap, which will solve the project's cash flow dilemma and reduce the project's General Fund liability. In addition, various organizational activities have been initiated.

911 PROJECT SOURCES AND COSTS

Sources		Uses			
		Budget Name	Project Costs	Financing Costs	Total Costs
Prior Fiscal Year GF Transfers	23,234,683	Building	25,773,403		
911 Fees (\$1 assumption)	99,699,067	AIS	10,617,752		
911 Interest Earnings	6,163,371				
Grants	4,880,000	CAD	20,672,899		
GF Contributions to Deficits	33,603,712	Communications	17,207,422		
		Project Management	9,926,400		
		Community Mitigation	3,031,000		
Total	166,370,823	Total	87,128,876	20,128,847	107,264,723
		800 MHz Project			
		Budget Name			
		Radio Administration	8,416,100		
		Radio System	40,550,000		
		Total	48,966,100	9,100,000	58,066,100
		Total 911 Project Cost	136,084,976	29,228,847	165,320,823
		plus Training			1,050,000
					166,370,823

## Fiscal Year 97-98 Uses and Sources

911 Project Sources		911 Project Costs	
911 Fee Funds	15,517,451	Building	19,773,000
General Fund	-	Communications	10,835,367
Bond Sales	54,349,092	AIS	2,248,000
Grants (COPS More, Fed)	4,880,000	CAD	10,171,876
		Community Mitigation	500,004
		800 MHz	31,218,496
Total	\$ 74,746,543	Total	\$ 74,746,543

Description of Radio System Equipment		
Useful Life		
20 Years	Construction - Site Upgrades	
	One Market Plaza	397,261
	VA Hospital	492,764
	South Hill/Daly City	498,885
	Forest Hill	318,877
	CRS	1,743,470
	Bernal Heights	420,977
	San Francisco State	480,498
	Clay/Jones	301,102
	Radio Shop Facility Upgrade	791,672
		5,445,508
10 Years	Fixed Network Equipment	
	Radio Network Equipment	9,025,702
	Microwave System	1,258,400
	Coverage Enhancement Systems	942,757
		11,226,859
7 Years	Wireless Data Network Equipment	
	Hardware Backbone Equipment	1,280,988
5 Years	Portable/Mobile Test Equipment	
	Portable Radios - 121 @ \$1,979 each	239,400
	Mobile Radios - 106 @ \$2,839 each	300,881
	Test Equipment	293,000
		833,281
5 Years	Dispatch Equipment	
		1,940,863
5 Years	Construction Management/Engineering	
	Engineering	2,153,220
	Integration/construction management	1,839,124
		3,992,344
5 Years	Installation	
		2,424,587
5 Years	Phase 1 Training	
		441,163
10 Years	Console Furniture	
		900,000

### CityWide 800 MHz Radio System Project Budget

Phase I Project Costs	
Construction Upgrades to Transmission Sites	5,445,508
Fixed Network Equipment	11,226,859
Wireless Data Network	1,280,988
Portable Mobile Test Equipment	833,281
Dispatch Equipment	1,940,863
Construction Management/Engineering	3,992,344
Installation	2,424,587
Vendor Training	441,163
Console Furniture	900,000
	<u>28,485,593</u>
Phase II Project Costs	
Portable Mobile Test Equipment -Group 1	4,510,897
Portable Mobile Test Equipment -Group 2	6,766,345
Construction Management/Engineering	2,350,930
Training	180,193
	<u>13,808,365</u>
Phase I and Phase II Project Costs	42,293,958
Cost of Bond Issuance	7,706,042
Project Management Costs	8,046,152
Site Leases	<u>600,000</u>
Total Project Costs	<u>58,646,152</u>

Item 12 - File 100-97-1.4

**Department:** Department of Public Health (DPH)

**Item:** Request to release reserved funds in the amount of \$200,000 to expand an existing contract with the San Francisco AIDS Foundation to provide rental subsidies to persons with disabling HIV/AIDS.

**Amount:** \$200,000

**Source of Funds:** General Fund budget adjustment of monies added and reserved by the Board of Supervisors for the DPH FY 1997-98 budget during the FY 1997-98 budget process.

**Description:** During the FY 1997-98 budget process, the Board of Supervisors added and reserved \$200,000 for the Department of Public Health (DPH) to provide rental subsidies to persons with HIV/AIDS. DPH is now requesting the release of these previously reserved funds, in the amount of \$200,000, for the expansion of an existing contract with the San Francisco AIDS Foundation to provide rental subsidies to persons with disabling HIV/AIDS.

According to Dr. Mitchell Katz of DPH, DPH currently has a contract with the San Francisco AIDS Foundation to provide an array of housing services including rental subsidies. The existing contract provides \$95,033 for annual rental subsidies for 12 very low income adults with disabling HIV/AIDS and supportive services such as case management, information and referral. Clients in the program contribute 30 percent of the individual's or family's adjusted gross income. The subsidized rental amount provided by DPH is the difference between the client's rent contribution and the client's actual rent, subject to a capped maximum Fair Market Rent which is determined by the U.S. Department of Housing and Urban Development. The client is responsible for the difference, if any between the maximum Fair Market Rent and the actual rent for his or her housing. Dr. Katz advises that the rental subsidy program was established to provide permanent housing to persons with disabling HIV/AIDS who are either homeless or at risk of becoming homeless.

Dr. Katz states that the subject \$200,000 would expand the existing rental subsidy program to provide the equivalent of 25 to 50 additional annual rental subsidies depending on the level of subsidies required by clients. The Attachment to this report, provided by DPH, shows the current rental subsidy program under the existing contract and the proposed expansion of the rental subsidy program to be funded with the requested \$200,000 release of reserved funds.

**Comments:**

1. DPH projects that, based on the total funds available of \$295,033 if this request is approved (existing contract of \$95,033 plus this proposed increase of \$200,000), and based on a rental subsidy of between \$13.61 and \$22.84 per day, a total of 37 to 62 clients can be served over a one year period.

2. According to Ms. Carol Ackles of the Human Rights Commission, the San Francisco AIDS Foundation has been certified as being in compliance with the provisions of the Equal Benefits Ordinance.

**Recommendation:** Based on the previous policy decision by the Board of Supervisors, approve the requested release of reserved funds in the amount of \$200,000.



Department of Public Health  
Rental Subsidy Program

	Existing Funding	Additional Funding	Total Funding
Number of Subsidies	12	25-50	37-62
Days / Year	365	365	365
Vacancy Rate	95%	95%	95%
Units of Service*	4,161	8,757 - 17,514	12,918 - 21,675
Contract Amount	\$ 95,033	\$ 200,000	\$ 295,033
\$ / Unit of Service	\$ 22.84	\$ 22.84 - 11.42	\$ 22.84-13.61

\* A unit of service is defined as one subsidy day for a person with disabling HIV/AIDS



Item 13 - File 100-97-1.1

**Note:** This item was continued by the Finance Committee at its meeting of September 24, 1997

**Department:** Department of Administrative Services

**Item:** Hearing to consider release of reserved funds for the San Francisco Museum Project.

**Amount:** \$120,000

**Source of Funds:** General Fund

**Description:** This request is for a release of \$120,000 which was reserved in the FY 1997-98 Department of Administrative Services budget for the operating costs for the Museum of the City of San Francisco (San Francisco Museum), a non-profit organization. The San Francisco Museum is currently located on the third floor of the Cannery Building. The Museum, which houses various memorabilia from San Francisco's history is free to the public.

**Budget:** The Attachment to this report provided by the San Francisco Museum contains a budget for the requested \$120,000.

**Comments:** 1. In FY 1996-97, for the first time, the City included \$100,000 in the Department of Administrative Services budget for the San Francisco Museum. Mr. Steve Nelson of the Department of Administrative Services reports that the Department of Administrative Services does not provide any administrative or other oversight of these funds for the Museum. In the FY 1997-98 budget of the Department of Administrative Services, an amount of \$120,000 was approved but reserved. Mr. Nelson reports that these funds, as submitted to the Board of Supervisors in the FY 1997-98 budget, were placed on reserve because some of the principals involved with the San Francisco Museum were participating in the bidding on the acquisition of the Mount Davidson Cross property. However, Mr. Nelson states that since the award for the Mount Davidson Cross property has already been made,

which the voters of San Francisco subsequently approved, and the principals from the San Francisco Museum were not the successful bidders, the Department has now requested that this reserve be released by the Finance Committee.

2. According to Ms. Diana Yee of the San Francisco Museum, the Del Monte Corporation provided a one-time \$50,000 grant to the Museum for start-up expenses in the Cannery. In addition, Ms. Yee reports that the San Francisco Museum received a \$16,500 grant in 1993 from the Grant for the Arts to assist the Museum in publishing an informational brochure. Ms. Yee also reports that the Museum's Board of Directors have been generous in their donations to support the initial start-up and ongoing costs of the Museum, which began operations in 1991, such that the San Francisco Museum did not use City monies for operating expenses prior to Fiscal Year 1996-97. According to Ms. Yee, although the San Francisco Museum is free, the Museum requests donations from visitors, collects some revenues from operating a small store selling San Francisco products (such as historical books, postcards, maps, puzzles and notepads), receives donations of rent and parking from the Cannery and receives other private donations. According to the financial statements provided by the Museum, in 1996, a total of \$60,187 of revenue was realized from all of these sources. According to Ms. Beverly Meyer of the Museum, a total of \$65,195 in revenue from all of these sources was received in 1997.

3. Ms. Yee reports that the Museum initially relied primarily on volunteer staff, with one paid staffperson, to operate the Museum. However, with the addition of the City's \$100,000 General Fund appropriation in Fiscal Year 1996-97, the Museum was able to hire additional paid staff for its operations. According to Ms. Yee, the Museum is requesting \$120,000 for Fiscal Year 1997-98, a \$20,000 or 20 percent increase over the Fiscal Year 1996-97 General Fund appropriation primarily because the Museum wants to increase their current staff from three to four staffmembers. These staffpersons are not Civil Service employees but are employees of the San Francisco Museum, which is a non-profit organization. Ms. Yee

reports that the new position to be added would be a Service Desk Clerk, at an annual salary of \$20,800. The administrative salaries for each of the four Museum staffpersons is shown in the Attachment. According to Ms. Yee, the proposed budget does not include any funds for fringe benefits for these positions because the Museum staff do not receive any fringe benefits.

4. The San Francisco Museum operates on a calendar year. Ms. Meyer reports that the Museum expended a total of \$131,850 in 1997.

5. Although the Museum continues to receive considerable volunteer assistance, including the services of a volunteer Director/Archivist and a volunteer Business Manager, the City is the sole source of support for the four paid staff persons at the Museum. If the Museum is going to continue to depend upon the City for such support, the San Francisco Museum should change from a calendar year to a fiscal year of July 1 through June 30, to coincide with the City's Fiscal Year, in order to facilitate comparisons of revenues and expenses.

6. Although the City provided \$100,000 of operating expenses in FY 1996-97 and is now being requested to provide \$120,000 for FY 1997-98, the Museum cannot at this time indicate what their future operating costs will be and whether they will need to continue to depend on the City's General Fund for their staffing and other expenses. According to Ms. Yee, the future amounts requested from the City of San Francisco will depend on the growth and attendance at the Museum and the success of the Museum's store sales, membership campaign and grant solicitations. Ms. Yee reports that the Museum is growing and is currently attempting to acquire the City's Police and Fire Museums presently owned by the City as well as artifacts presently stored by the DeYoung Museum, which are not available for viewing by the public.

7. Ms. Gladys Hansen of the Museum reports that the City's Police Museum is presently being stored in boxes by the Police Department. According to Ms. Hansen, the City's Fire Museum is currently located at 655 Presidio

Avenue in a Fire Station that is scheduled to be closed for seismic upgrading.

8. In response to questions regarding the relationship between the City's Official Store and the Museum's Store, Mr. Neal Taniguchi of the Department of Administrative Services reports that there were only two proposals submitted in response to the City's Request for Proposals to operate the City's Store, one of which was submitted by the Museum. However, Mr. Taniguchi reports that the other proposer, a local non-profit organization, was selected as the successful bidder. The City Store has been in operation for approximately two years at Pier 39 and recently opened a second location at the Beach Chalet. According to Mr. Taniguchi, although the Museum has expressed interest in operating the City Store or providing a link between the Store and the Museum's Store, there is currently no relationship between the two stores.

9. In response to questions regarding the Museum's plans to become self-sufficient, Mr. Chris Martin of the Cannery, who is on the Board of Directors for the Museum, reports that the San Francisco Museum is currently planning to merge with the de Young Museum, and to be funded through that organization. According to Mr. Martin, the San Francisco Museum would then be relocated to the current site of the de Young and Asian Art Museums in Golden Gate Park, after the de Young Museum is moved to a downtown location and the Asian Art Museum is moved to the Old Main Library in the Civic Center. In addition, Mr. Martin reports that, in the interim, the San Francisco Museum is planning to hire Ms. Elaine Molinari, to conduct fundraising efforts for the Museum, including researching and applying for available grant funds and developing a concept for organizing a Friends of the San Francisco Museum.

10. In addition, Mr. Nelson prepared a Preliminary Business Plan regarding the financial future of the Museum, if the consolidation with the de Young Museum does not occur and the San Francisco Museum remains a separate entity. In this Plan, Mr. Nelson cites several possible revenue enhancements for the Museum,



including (1) charging a modest admission fee, such as \$1, which, based on the current approximately 100,000 annual visits, could generate up to \$100,000 per year; (2) increasing the size of the Museum store, changing the mix of products in the store and relocating the store to a more prime location to be more competitive, or alternatively consolidating the Museum Store with the City Store, as discussed above; (3) fundraising through both specific fundraising events and applying for grant funds; and (4) funding from the City, through Hotel Taxes allocated through the Grants for the Arts Program or the General Fund. In conclusion, Mr. Nelson states that additional funding is needed from some outside source, or the Museum will cease to exist as a viable organization. As a result, Mr. Nelson states that the only short term solution appears to be a release of the General Fund reserve. However, on a long term basis, Mr. Nelson states that there needs to be a combination of City funds, most appropriately through the Grants for the Arts Program together with increased fundraising efforts by the Museum. In addition, Mr. Nelson reports that if the City is to continue to provide major ongoing financial support for the Museum, a representative from the City should be on the Board of Directors for the San Francisco Museum.

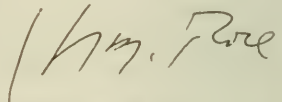
11. The Budget Analyst acknowledges that the San Francisco Museum hopes to merge with the de Young Museum and to be supported by this much larger institution. However, the Budget Analyst is concerned that: (1) if this merger does not occur; (2) if the merger does not occur in the immediate future; and/or (3) if the de Young Museum cannot fully support the ongoing operations of the San Francisco Museum, what is: (1) the role of the City in the Museum's future policy and funding decisions; (2) the appropriateness of having operating funds for the San Francisco Museum budgeted in the Department of Administrative Services even though the Department of Administrative Services has no policy, operating or other administrative oversight of the Museum and no representative from the City is on the Museum's Board of Directors; (3) whether the Board of Supervisors intends to continue to have the City's General Fund be the sole support for the paid staff of the San Francisco Museum. However, as noted earlier, Mr. Nelson of the Department

of Administrative Services states that the only short term solution appears to be a release of the General Fund reserve.

**Recommendations:**

The Board of Supervisors should request that the San Francisco Museum change from a calendar year to a fiscal year of July 1 through June 30, to coincide with the City's Fiscal Year, if the Museum is to continue to depend primarily on the City's General Fund for annual appropriations to pay for the Museum's paid staff, in order to facilitate comparisons of revenues and expenses.

Approval of the proposed requested release of reserve funds is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Matthew Hymel  
Stephen Kawa  
Ted Lakey



Official Seal 1852-1856

## Museum of the City of San Francisco

Distribution of \$120,000 from City of San Francisco

\$99,840 for administrative salaries

Director Information Services & Operations	\$41,600/ yr.
Executive Assistant (part time)	\$24,960/ yr.
Archivist (part time)	\$12,480/ yr.
Service Desk Clerk	\$20,800/ yr.

\$9,845 for employer's payroll taxes.

\$6,896 for "Take a Closer Look" a historical video to used as a teachers aid in schools.

\$1,000 for light bulbs.

\$300 for vacuum cleaner.

\$500 for computer supplies.

\$500 for shelving.

\$700 for service contract and supplies for copier.

\$419 general office supplies.

\$120,000

2801 Leavenworth Street  
San Francisco, California 94133

The Cannery - 3rd Floor  
(415) 928-0289

Registered nonprofit 501 (c) (3) organization • Taxpayer ID No. 63-010888



# CALENDAR

DOCUMENTS DEPT.

25

8

Finance Committee  
Board of Supervisors  
City and County of San Francisco

JAN 15 1998  
SAN FRANCISCO  
PUBLIC LIBRARY

REGULAR MEETING

WEDNESDAY, JANUARY 21, 1998 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVE, ROOM 410  
SAN FRANCISCO, CA. 94102

MEMBERS: Supervisors Barbara Kaufman, Amos Brown

CLERK: Joni Blanchard

❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖

## Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

1. File 96-97-5. [Public Utilities Commission Land Sale] Resolution approving sale of land at Hamlin Court in Sunnyvale to W. Leslie Pelio for the amount of \$728,000 and authorizing execution of an agreement for sale of real estate, a quitclaim deed, and a declaration of covenants, conditions and restrictions and grant of easement. (Real Estate Department)

ACTION:

2. File 172-97-19. [Amendment, Advertising Shelter Agreement] Ordinance amending Third Amendment to Advertising Transit Shelter Agreement between City and County of San Francisco and Outdoor Systems, Inc. to maintain MUNI Metro Extension and F-Line boarding platforms in exchange for advertising on platforms and to expand transit shelter program. (Public Transportation Department)  
(Consideration continued from 1/7/98)

ACTION:

3. File 28-97-11. [Emergency Repairs, Water Treatment Plant] Resolution approving expenditure of funds for San Francisco Water Department emergency procurement and repairs for Water Treatment Plant Operations. (Also see File 28-97-2). (Public Utilities Commission)  
(Consideration continued from 1/7/98)

ACTION:

4. File 25-97-18. [Prop J Contract, Janitorial/Landscape Contract] Resolution concurring with the Controller's certification that janitorial service and landscape maintenance services at three Department of Parking and Traffic Office sites and twenty-two neighborhood off-street parking facilities can be performed by a private contractor for a lower cost than similar services performed by City and County employees. (Department of Parking and Traffic)

ACTION:

5. File 98-1. [BART/Airport Development and Easement Agreements] Resolution approving the Airport Project Development Agreement and Easement Agreement for West Bayshore, each of which is by and between the City and County of San Francisco, acting by and through its Airport Commission, and Bay Area Rapid Transit System (BART). (Airport Commission)

ACTION:

6. File 101-97-41. [Appropriation, Dept of Public Health-SFGH] Ordinance appropriating \$643,223, Department of Public Health, from San Francisco General Hospital Patient Revenue to add unbudgeted patient revenue related to the merger of the UCSF/MT. Zion Workers Comp Clinic with the San Francisco General Workers' Comp Clinic for fiscal year 1997-98. RO #97150. (Controller)

ACTION:



7. File 101-97-42. [Appropriation, Dept of Public Health-SFGH] Ordinance appropriating \$124,370, Department of Public Health, from San Francisco General Hospital Patient Revenues to add unbudgeted patient revenue for services referred by the San Francisco Family Planning Program and Breast and Cervical Cancer Prevention Program and to support the San Francisco General Hospital pathology laboratory for fiscal year 1997-98. RO #97160. (Controller)

ACTION:

8. File 97-97-68. [Sunshine Ordinance] Hearing to consider whether or not there is a practice of compliance to the Sunshine Ordinance by non-profit organizations. (Supervisor Ammiano)

ACTION:

#### LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution is introduced which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction.

There are no items now pending in the Committee that fall under the 30 day Rule.

Finance Committee  
S.F. Board of Supervisors  
401 Van Ness Ave., Room 308  
San Francisco, CA 94102

IMPORTANT HEARING NOTICE!!!

Bill Lynch  
Govt Information Ctr  
41 Main Library-Civic Center  
100 Larkin Street

25  
1/98  
CITY AND COUNTY



OF SAN FRANCISCO

DOCUMENT  
JAN 20 1998  
SAN FRANCISCO  
PUBLIC LIBRARY

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

January 16, 1998

**TO:** Finance Committee

**FROM:** Budget Analyst Recommendations for meeting of

**SUBJECT:** January 21, 1998 Finance Committee Meeting

Item 1 - File 96-97-5

**Department:** Department of Real Estate (DRE)  
Public Utilities Commission (PUC) – Water Department

**Item:** Resolution approving a sale of City-owned Water Department land in Sunnyvale to W. Leslie Pelio for the amount of \$728,000 and authorizing execution of an Agreement for Sale of Real Estate, a Quitclaim Deed, and a Declaration of Covenants, Conditions and Restrictions and Grant of Easement.

**Description:** The proposed resolution would:

- (a) approve the sale of City-owned Water Department right-of-way property located at Hamlin Court in Sunnyvale to Mr. W. Leslie Pelio for the amount of \$728,000; and
- (b) authorize execution of an Agreement for Sale of Real Estate, a Quitclaim Deed, and a Declaration of Covenants, Conditions and Restrictions and Grant of Easement.

The property at Hamlin Court in Sunnyvale consists of a 49,876 square foot (1.16 acre) section of the Water Department's Bay Division Pipelines #3 and #4 right-of-way in Sunnyvale. This City-owned right-of-way was paved and landscaped by the prior owner of adjacent private industrial property for access, parking and landscaping uses under a Revocable Permit from the Public Utilities Commission (PUC). Subsequent to the paving and landscaping of the City-owned right-of-way, the adjacent private property was vacant for seven years. The private property, consisting of an industrial building, is currently being purchased by Mr. Pelio. Mr. Pelio has agreed to pay \$728,000 to the City for the City-owned right-of-way.

The use of the subject City-owned right-of-way, to be purchased by Mr. Pelio, would be restricted by the Covenants, Conditions and Restrictions to access, parking, and landscaping uses. Mr. Pelio plans to lease the subject City-owned right-of-way together with his adjacent office building, to an industrial or research and development type of tenant, according to Mr. Ken Chopping of the DRE. Consistent with this subject sale, the City will still reserve a pipeline easement and related rights of access to its underground facilities. The deed restrictions and reservations are the subject of the Declaration of Covenants, Conditions and Restrictions and Grant of Easement, which the Board of Supervisors would approve as part of this proposed resolution.

**Comments:**

1. Mr. Anthony DeLucchi, Director of Property, reports that the sales price of \$728,000 for the City-owned right-of-way property is based on the DRE's estimate of fair market value of the property, including the restrictions and reservations.
2. The execution of the Agreement of Sale of Real Estate, the Quitclaim Deed, and the Declaration of Covenants, Conditions and Restrictions and Grant of Easement will be effective on the date the Board of Supervisors approves this proposed resolution.
3. According to Mr. Chopping, the City has no surface uses on the property. The proposed sale agreement would allow the City to continue its use of the property for underground water pipelines in perpetuity.

4. Mr. Chopping advises that the PUC made the decision to sell the right-of-way because:

- (1) This land has a premium value to the buyer, and the sale of the right-of-way would bring significant one-time revenue to the City;
- (2) By selling, rather than leasing, the right-of-way, the City transfers all responsibility for the property to the buyer; and
- (3) Lease revenue can be an inconsistent revenue source. As noted above, the right-of-way had been leased by the City to the previous owner of the adjacent property. However, since that prior lease expired in 1987, the City has received no lease revenues.

**Recommendations:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.





Item 2 -File 172-97-19

**Note:** This item was continued by the Finance Committee at its meeting of January 7, 1998.

**Department:** Department of Public Transportation  
Port Commission

**Item:** Ordinance approving the Third Amendment to the Advertising Transit Shelter Agreement by and between the City and County of San Francisco, (through the Department of Public Transportation and the Port Commission), and Outdoor Systems, Inc. to maintain MUNI Metro extension and F-Line boarding platforms in exchange for advertising on the platforms and to expand the transit shelter program.

**Description:** In June of 1987, the Board of Supervisors approved an Agreement (Agreement) (Ordinance No. 208-87) between Gannett Outdoor Company, Inc. of Northern California and the City for the period from June of 1987 until June of 2002 (15 years) for the placement and maintenance of commercial and noncommercial transit shelters throughout San Francisco. A commercial transit shelter is a shelter which displays commercial advertising for profit, while a noncommercial transit shelter contains no displays and are primarily located in residential neighborhoods.

On January 5, 1990, the City approved the First Amendment to the Agreement, which added the Market Street shelters to the Agreement. On March 12, 1991, the City approved an assignment of the Agreement from Gannett to Combined Communications Corporation (CCC), due to the acquisition of Gannett by CCC.

On November 18, 1994, the City approved the Second Amendment to the Agreement, which (1) required CCC to maintain the high-level boarding platform on 19th Avenue at Stonestown in exchange for permitting CCC to place advertising on that platform, and (2) permitted CCC to place advertising kiosks on Upper Market Street in conjunction with the shelters on the median boarding islands.

On January 3, 1997, the Board of Supervisors approved the assignment of the Agreement from CCC to Outdoor

Systems, Inc., due to acquisition of CCC by Outdoor Systems, Inc.

On January 31, 1997, the Board of Supervisors approved an amendment to the General Plan (File 271-96-4) and Planning Code Section 603(j) (File 115-96-8) to allow commercial advertising on transit shelter boarding platforms on the Embarcadero and at Fisherman's Wharf. At that time, the Board also approved a negative declaration under the California Environmental Quality Act (CEQA) covering the expansion of the transit shelter program (File 115-96-8.2).

This proposed ordinance would approve the Third Amendment to the Agreement. The proposed Amendment contains the following major provisions:

(1) The Port Commission would grant the Public Transportation Commission the right to erect City-owned transit shelters for public transit purposes on the MUNI Metro Extension (MMX) Line, which will extend from the Embarcadero Station to King Street and the F-Line platforms, which will extend from the Embarcadero Station to Fisherman's Wharf. Under the proposed Agreement, the Port Commission would grant Outdoor Systems, Inc. the exclusive right to maintain all of these new MMX and F-Line advertising shelters on Port property. The Port would retain various specific approval rights, relocation options, indemnity protections and remedies if Outdoor Systems, Inc. should default.

(2) The City will construct four MMX platforms or transit stations, along the South Embarcadero and King Streets. Outdoor Systems, Inc. will: (a) contribute an average of up to \$45,000 toward construction of the shelter amenities (seating, trash receptacles, advertising display panels, MUNI map and information displays, etc.) on each of the four MMX platforms, or a total one-time maximum contribution of \$180,000; (b) be permitted to advertise on the high-level boarding platforms on the MMX line; and (c) will assume maintenance and repair responsibilities for these MMX shelters and amenities.

(3) The City will construct up to 22 stops on median boarding islands along the F-Line on the North

Embarcadero and Fisherman's Wharf. Outdoor Systems, Inc. will (a) contribute a minimum of \$14,000 toward the cost of constructing each of the up to 22 shelters, or a contribution of approximately \$308,000; (b) be permitted to advertise on the median boarding islands' shelters; and (c) will assume maintenance and repair responsibilities for these F-Line shelters and amenities.

(4) According to Mr. Lew Lillian of Outdoor Systems, Inc, the current contract requires a minimum of 800 transit shelters and a maximum of 1,000. There are presently approximately 1,000 transit shelters installed throughout the City. The minimum number of transit shelters throughout the City would increase from 800 to 1,100 and the maximum number of shelters would expand from 1,000 to 1,250, if this Amendment is approved. Outdoor Systems, Inc. must install the 1,100 minimum shelters, (or 100 more shelters than currently installed) within one year of approval of this Third Amendment. According to Mr. Peter Straus of MUNI, the Agreement with Outdoor Systems, Inc. was developed to encourage Outdoor Systems, Inc. to provide the maximum number of transit shelters, by providing additional advertising revenue opportunities to Outdoor Systems, Inc, which in turn provides additional transit shelter capital and maintenance services to the City.

(5) The City would grant to Outdoor Systems, Inc. the exclusive right to erect and maintain kiosks containing advertising, in conjunction with specific transit shelters, for which physical limitations preclude advertising on the boarding islands. Outdoor Systems would be limited to a maximum total of 150 kiosks. It is estimated that Outdoor Systems currently has 34 kiosks, located primarily on Market Street, according to Mr. Lillian.

(6) Under the proposed Agreement, beginning June 10, 1997, for every additional shelter constructed over the current 1,000 shelters, the Public Transportation Commission will receive from Outdoor Systems, Inc. approximately \$200 annually (See Comment No. 7 below). According to Ms. Robin Reitzes of the City Attorney's Office, although the date of June 10, 1997 is included in the proposed Agreement, the proposed ordinance does not need to be retroactive to that date because Outdoor

Systems, Inc. cannot install more than the current maximum of 1,000 shelters and the City can therefore not receive any additional payments until the proposed ordinance is approved by the Board of Supervisors and the Mayor. These increased annual payments may continue to be used to cover MUNI's administrative costs to administer this contract. A new provision would also enable the Public Transportation Commission to use these revenues to support bus stop, maintenance, sign programs or related programs to enhance MUNI patrons' convenience. According to Mr. Straus, in Fiscal Year 1996-97, MUNI received approximately \$100,000 in revenue from the transit shelters from Outdoor Systems, Inc., which Mr. Straus reports is approximately the ongoing cost to administer this contract (See Comment No. 7 for additional breakdown of these revenues).

(7) Outdoor Systems, Inc. would also pay to MUNI the following amounts annually for MUNI's marketing purposes, including but not limited to advertising, public relations and promotion of MUNI to the public and to news media organizations:

<u>Contract Years</u>	<u>Annual Amount</u>
1997-98 through 2001-02	\$100,000
2002-03 through 2004-05	125,000
2005-06 through 2006-07	150,000

(8) Outdoor Systems, Inc. has agreed to prohibit all tobacco advertising for all shelters and kiosks effective 120 days after approval of the Third Amendment, to limit alcohol advertising to a maximum of ten percent of available advertising on the MMX and F-Line shelters, to prohibit alcohol advertising in the vicinity of schools and to negotiate with community groups in the South Bayshore to restrict alcohol advertising there. Currently, Outdoor Systems, Inc. has no restrictions on tobacco or alcohol advertising. It should be noted that the Board of Supervisors recently approved a prohibition on tobacco advertising in San Francisco (File 121-95-10), which becomes effective in six months.



(9) At least twice a year, Outdoor Systems, Inc. will design, furnish and install at least 30 posters as part of a public service campaign to promote the Port, its tenants and special events. Each public service campaign will be installed on available space in the City and Bay Area advertising shelters, with the majority of the posters placed within the City. Each of the two public service campaigns would last at least four weeks. Mr. Lew Lillian of Outdoor Systems, Inc. estimates that the cost to Outdoor Systems to provide these public service campaigns for the Port is approximately \$40,000 per year.

(10) At MUNI's request, pay telephones in the shelters will be equipped with free programmed single-key access to MUNI's passenger information lines and the maximum number of telephones in shelters City-wide will increase from 300 to 400 by June 30, 1998. According to Mr. Jake Szeto of the Department of Public Works (DPW), Outdoor Systems, Inc. has an agreement with Pacific Bell, through which Pacific Bell pays the City 20 percent of total revenues or \$50 per month for each telephone, whichever is greater. Mr. Szeto reports that Pacific Bell will pay the City approximately \$200,000 in FY 1997-98, based on the revenues from the approximately 300 telephones in these transit shelters. Based on the proposed additional maximum of 100 telephones, Mr. Szeto reports that the City will receive a minimum of an additional \$60,000 (100 telephones x \$50 per month x 12 months) annually.

(11) As under the current Agreement, provided that there is available space and Outdoor Systems, Inc. obtains approval from Hetch Hetchy's Bureau of Light, Heat and Power, Outdoor Systems, Inc. may continue to use City-owned street lighting conduit. Under this arrangement, Outdoor Systems, Inc. will continue to pay Pacific Gas & Electric (PG&E) for electric power, but may avoid unnecessary trenching and patching of streets to access the necessary conduit, which would be a benefit to both Outdoor Systems, Inc. and the City. Outdoor Systems, Inc. will also install sufficient conduit to make all new, illuminated shelters capable for installation of infrared transmitters (i.e., Talking Signs) that provide transit information to the blind. Outdoor Systems, Inc. would supply \$5,000 worth of such transmitters to the City each year, perform installation and maintenance on these

transmitters and any others that the City might obtain from other sources and assume the associated costs of electricity for operation of the transmitters.

(12) A new provision states that within 30 days of the execution of this Agreement, Outdoor Systems will provide the Mayor's Office with a one-time \$50,000 payment, which the Mayor's Office shall use for the benefit of the City. According to Mr. Steve Kawa of the Mayor's Office, the intended use for the \$50,000 one-time payment from Outdoor Systems would be for the Mayor's Homeless Fund, Youth Fund or Summer Employment Youth Fund. According to Mr. Ed Harrington of the Controller's Office, the proposed \$50,000 one-time payment would be subject to the Board of Supervisors approval.

(13) The Agreement is scheduled to expire in June of 2002. The Agreement would be extended approximately five years (until June 9, 2007). However, beginning the 15th year of the Agreement (or in May, 2002), the City has two options to terminate the Agreement by (1) giving Outdoor Systems, Inc. one year's notice and paying Outdoor Systems, Inc. the unamortized costs of the shelters, kiosks and equipment; or (2) if the City has contracted with another contractor to provide coordinated street furniture, to give one year's notice of termination to Outdoor Systems and assign this transit shelter Agreement to the coordinated street furniture contractor, provided that the street furniture contractor pays Outdoor Systems the unamortized costs of the shelters, kiosks and equipment and the capital contribution less depreciation of the construction of the MMX and F-Line shelters. As stated in the proposed Agreement, Outdoor Systems would be able to compete on a non-preferential basis in any future selection process for a coordinated street furniture contractor. According to Mr. Jim Lowe' of the Public Transportation Department, and confirmed by Mr. Lillian, a rough estimate of the cost to the City to fulfill the first option, if the Agreement were terminated in 2002, could be upwards of several million dollars.

(14) The City will negotiate with Outdoor Systems, Inc. regarding any future program for the construction, maintenance and repair of any transit shelters and



boarding platforms planned for the Third Street light rail line, in exchange for advertising on these platforms and shelters.

**Comments:**

1. The current Agreement specifies that Outdoor Systems, Inc. will provide and maintain one noncommercial bus shelter for every two commercial bus shelters. Therefore, according to Mr. Lowe, of the total 1,000 existing bus shelters currently in the City, 667 have advertising on the sides of the bus shelters and 333 are non-commercial bus shelters. Under the proposed Third Amendment, this same ratio of two commercial shelters to one noncommercial shelter would be maintained. Therefore, of the total maximum of 1,250 bus shelters, 834 would have advertising and the remaining 416 would be non-commercial bus shelters.

2. Outdoor Systems, Inc. would indemnify the City for all injuries and damages resulting from the work under the proposed amended Agreement. Under the current Agreement, Outdoor Systems, Inc. maintains a \$350,000 letter of credit. Under the proposed Amendment, Outdoor Systems will have to deliver a \$500,000 performance bond to support construction and maintenance of the additional shelters and maintain an additional \$500,000 letter of credit. Ms. Reitzes reports that the letter of credit was increased due to the additional shelters and increased maintenance for which Outdoor Systems, Inc. will be responsible.

3. In accordance with the proposed Amendment, Outdoor Systems, Inc. would be permitted to display advertising on both sides of each double-sided freestanding display case on the MMX platform. No advertising could exceed 24 square feet, or six feet in height and four feet in width. The Port will have a right of first refusal for any unsold advertising space on the MMX platforms, for use for information and public service announcements, at no additional cost to the Port.

4. For all existing and new transit shelters, including the F-Line shelters, the proposed Amendment would continue the current provisions, which limit Outdoor Systems, Inc. to using the side wall furthest from approaching transit vehicles, the back panel or outside side wall to display

their advertising material. These requirements are intended to conform to the final design for the Waterfront Transportation Project. Unless authorized in advance by the Director of Public Transportation in writing, Outdoor Systems, Inc. would not be permitted to display advertising on the end wall closest to the approaching transit vehicle. No advertising panel could exceed 24 square feet, or six feet in height and four feet in width.

All of the existing and new 3-sided kiosks must be located no more than 50 feet from the associated transit shelter. The two street-facing sides of the kiosk may display commercial advertising, while the side of the kiosk facing away from the street is not permitted to contain commercial advertising.

5. Under the proposed Amendment, the Port Commission would determine which sites along the F-line on the North Embarcadero and Fisherman's Wharf would be available for commercial advertising. The exact number of shelters has not yet been determined, although Mr. Lowe reports that there would be a maximum of 22 shelters.

6. Under the current Agreement, the City does not receive any direct advertising revenues from the bus shelter Agreement. Instead, Outdoor Systems, Inc. is responsible for installing and maintaining the bus shelters in exchange for receiving all of the advertising revenues.

7. However, under the current provisions of the Agreement, Outdoor Systems, Inc. pays the City a base payment of \$150,000, indexed annually to increase with changes in the CPI index. As a result, the City currently receives approximately \$200,000 annually. Given that there are currently 1,000 shelters, the City receives approximately \$200 per shelter per year.

Under the proposed provisions, the base payment of \$150,000, adjusted by the CPI (currently \$200,000) would then be divided by the number of transit shelters (currently 1,000) and then multiplied by the actual number of shelters (proposed to increase to a maximum of 1,250). Under these new provisions, if all 1,250 transit shelters were currently installed, the City would receive

\$250,000, based on approximately \$200 per shelter, or \$50,000 more than the current Agreement provides.

These annual revenues are currently divided equally between the Municipal Railway and the Art Commission's Youth Art Fund. Under the proposed Amendment, the Art Commission would continue to receive one-half of the current amount, adjusted by the CPI. The Municipal Railway would receive the current amount, adjusted by the CPI, plus the incremental increase as a result of the new formula. Therefore, as in the example above, the City received \$250,000, the Art Commission would receive \$100,000 (the same amount that they currently receive) and the Municipal Railway would receive \$150,000. In addition, as part of a prior amendment for the Market Street transit shelters, the Art Commission's Market Street Art Maintenance Fund receives approximately an additional \$70,000 annually from Outdoor Systems, Inc.

8. The maintenance services to be provided by Outdoor Systems, Inc. would include (a) trash pick-up, (b) replacement of defective lights and broken glass, (c) cleaning and washing of each transit shelter and (d) removal of all graffiti, stickers, posters, litter, dust, dirt and weeds from each transit shelter and from a five foot radius surrounding the shelter. Mr. Lillian reports that Outdoor Systems, Inc. currently expends approximately \$1.0 million annually for maintenance. Under the proposed Agreement, Mr. Lillian estimates that Outdoor Systems, Inc. annual maintenance costs will be approximately \$1.2 million.

9. Mr. Steve Kawa of the Mayor's Office reports that, as part of the proposed Third Amendment to the Agreement, Outdoor Systems, Inc. has agreed to provide 125 trash receptacles in FY 1997-98 and an additional 125 trash receptacles in FY 1998-99. These trash receptacles would be located throughout the City, as determined by the Director of the Department of Public Works. Ms. Reitzes reports that the City Attorney's Office is preparing a substitute ordinance, which will be available for adoption at the January 21, 1997 Finance Committee meeting, to reflect these changes. Mr. Lillian reports that the cost per trash receptacle is \$300, such that this additional provision will result in an additional one-time benefit of

Memo to Finance Committee  
January 21, 1998 Finance Committee Meeting

\$75,000 (250 trash receptacles x \$300 per receptacle) to the City.

Both Mr. Kawa and Mr. Lillian also report that, although not included in the proposed Agreement, Outdoor Systems, Inc. has agreed to work with MUNI on a test-basis to assist in developing a tracking system for MUNI on the transit shelters throughout the City.

10. In summary, the proposed Third Amendment to the Outdoor Systems, Inc. Agreement to expand the transit shelter program would result in the following one-time and annual revenues to the City:

One-time Revenues

\$180,000	One-time contribution by Outdoor Systems for construction costs for MMX shelters
\$308,000	One-time contribution by Outdoor Systems for construction costs for F-Line shelters
<u>50,000</u>	One-time contribution by Outdoor Systems to Mayor's Office
\$538,000	Total One-time payments by Outdoor Systems to City

Annual Revenues

\$200,000 to \$250,000	Annual payments by Outdoor Systems for MUNI administrative costs and for Art Commission
260,000	Estimated annual payments by Outdoor Systems from telephone revenues to DPW
5,000	Value of transmitters provided annually to City
<u>100,000 to 150,000</u>	Annual payments by Outdoor Systems for MUNI marketing functions

**\$565,000 to \$665,000 Total Annual payments by  
Outdoor Systems to City**

In addition to the above identified one-time and annual revenues, if the proposed Agreement is approved, the City will receive: (1) installation and maintenance for up to an additional 250 transit shelters and four high-level platform stations; (2) liability protection on these platform stations; (3) free public service campaigns for the Port, its tenants and special events on the advertising shelters; (4) up to an additional 100 telephones in the shelters; (5) installation and maintenance of shelter transmitters for "Talking Signs" and (6) 250 additional trash receptacles throughout the City. In return, Outdoor Systems receives (1) the advertising rights and revenues on all of these transit shelters and related kiosks, subject to the limitations outlined in the proposed Agreement; and (2) a five-year extension of the contract, assuming neither of the two termination options are exercised. According to Mr. Straus, the only cost to the City is the administrative cost to oversee the proposed Agreement, a cost which is covered by the revenues paid by Outdoor Systems, Inc. to the City, as shown above.

**Recommendation:** Approve the proposed ordinance.





Item 3 - File 28-97-11

**Note:** This item was continued by the Finance Committee at its meeting of January 7, 1998.

**Department:** Public Utilities Commission (PUC)  
Water Department

**Item:** Resolution authorizing the expenditure of funds for San Francisco Water Department Emergency Procurement and Repairs for water treatment plant operations.

**Amount:** \$4,250,000

**Source of Funds:** Fast Track Projects (previously appropriated funds for projects to be deferred)

**Description:** This resolution would authorize the expenditure of funds totaling \$4,250,000 to procure replacement parts and to repair failed equipment at the Sunol Valley Water Treatment plant and the Harry Tracy Water Treatment Plant. Following the heavy rainfall and flooding in January 1997, in accordance with Administrative Code Section 6.30, the PUC declared an emergency on January 14, 1997 to implement immediate repairs to the support systems at the Sunol Valley and Harry Tracy Water Treatment Plants. On April 22, 1997, the PUC authorized funding of \$3,100,000 for the project. According to Ms. Cheryl Davis of the PUC's Water Department, during the three month interim the Water Department and Utilities Engineering Bureau were meeting with industry experts to define the scope of the project, estimate costs for construction, arrange the reallocation of monies from existing funds to this project, and working with the Purchasing Department to establish expedited procurement processes and timelines in an effort to have a fully defined proposal to take to the PUC for funding authorization.

On August 26, 1997, the PUC increased the authorized amount funding by \$750,000, for a total of \$3,850,000. According to Mr. Johnson Lim of the PUC's Utility Engineering Bureau, between January and August the repair projects were being designed and parts with long lead times were being procured. Mr. Lim reports that actual

construction bids were not received until August because it took that long for the design to be completed and for qualified construction contractors to be identified.

According to Ms. Davis, in September 1997 investigation of the filters, unrelated to the above repair, revealed a gravel migration problem in four existing filters which would lead to inadequate filtration of water and violation of water quality regulations. The total cost to replace and restore the gravel filter media is estimated at \$400,000. On November 25, 1997, the PUC increased the authorized funding amount by an additional \$400,000. The total amount authorized by the PUC is \$4,250,000.

**Budget:**

The project budget, provided by the PUC, is as follows:

Chemical Feed System Upgrade	\$872,000
Control System Upgrade	1,527,290
Liquid Oxygen Tank	279,840
Filter Media Repair	405,770
Equipment and Chemicals	689,000
Contingencies	356,400
Coagulant Feed Purchase and Installation*	19,700
Total	\$4,250,000

\* Coagulant is a chemical process that binds particulate matter together in order to create particulate large enough to be caught in the filters. As part of the emergency, the Coagulant Feed required replacement. It was purchased and installed by staff of the PUC's Water Supply and Treatment Division.

Attachment I, provided by Mr. Johnson Lim of the PUC's Utilities Engineering Bureau, contains cost details for each component of the project.

**Comments:**

1. Mr. Dale Newkirk of the PUC's Water Department provided the following project timelines:
  - Chemical Feed System design and procurement of parts began in February and was completed in October of 1997. Construction began in October of 1997 and will be completed by the end of April of 1998.
  - Control System Upgrade design and procurement of parts started in February of 1997. Field installation of the upgraded system began in July of 1997 and is scheduled to be complete by the end of May of 1998.

- Liquid Oxygen Tank Design began in October of 1997. It is currently under fabrication and is expected to be delivered in February of 1998. Construction will be completed on March 20, 1998.
- Filter Media Replacement began in September of 1997 and is currently 80 percent complete. All four filters will be fully operational by the end of January of 1998.

The entire project is expected to be completed by June of 1998.

2. Attachment II, provided by Mr. Lim, explains the reason why the PUC deemed each element of the Repair Project to be an emergency.

3. Attachment III, provided by Mr. Lim, lists all of the contracts, contract amounts and the nature of the repair work being performed.

**Recommendations:** Approve the proposed resolution.

## Sheet1

**WD2237(E) Chemical Feed System Upgrade**

Engineering Services	\$	250,000.00	
Construction	\$	622,000.00	
Total			\$ 872,000.00

**WD2236(E) Control System Upgrade**

Professional Services	\$	1,043,900.00	
Furnish & Installation	\$	483,390.00	
Total			\$ 1,527,290.00

**WD2251(E) Liquid Oxygen Tank**

Engineering Services	\$	50,000.00	
Construction	\$	229,840.00	
Total			\$ 279,840.00

**WD2249(E) Filter Media Replacement**

Filter Media	\$	239,230.00	
Labor/Freight/Disposal/Bond	\$	166,540.00	
Total			\$ 405,770.00

<b>Treatment Chemicals</b>			<b>\$ 265,000.00</b>
----------------------------	--	--	----------------------

<b>Coagulant Feed Installation</b>			<b>\$ 19,700.00</b>
------------------------------------	--	--	---------------------

**Misc. Equipment****for Harry Tracy WTP:**

5 - Chemical feed pumps	\$	35,000.00
Uninterrupted power supply	\$	25,000.00
2 Limitorque valve operators	\$	11,000.00
1 chemical tank	\$	20,000.00
Micro motion flow meter	\$	8,000.00
Sodium Hypochlorite pump	\$	5,000.00
Plumbing Hardware	\$	25,000.00
Electrical hardware	\$	30,000.00
Computer & PLC system parts	\$	20,000.00
Dessicant Media	\$	30,000.00

**for Sunol Valley WTP:**

Chemical System Safety Grating	\$	6,000.00
Flocculator repair parts	\$	50,000.00
2 Streaming current detectors	\$	22,000.00
3 Chemical feed pumps	\$	20,000.00
2 Chlorine Analysers	\$	14,000.00
UPS system(chemical&filter)	\$	39,000.00
Traveling Bridge repair parts	\$	20,000.00

## Sheet1

Wash water recovery pump	\$	18,000.00
Flash mix pump	\$	6,000.00
Filter level probes	\$	22,000.00

Total		\$	424,000.00
-------	--	----	------------

**UEB Labor (Includes overhead & fringe benefits)**

Classification:5208- Civil Engineer		
70 days @ \$598/day	\$	41,860.00

Classification:6318- Const. Inspector		
120 days @ 480/day	\$	57,600.00

ODC	\$	540.00
-----	----	--------

\$	100,000.00
----	------------

**Contingency**

\$	356,400.00
----	------------

TOTAL		\$	4,250,000.00
-------	--	----	--------------

## Attachment II

The San Francisco Public Utilities Commission (SFPUC), which oversees Hetch Hetchy Water and Power and the San Francisco Water Department, provides water to all of San Francisco and sells water to 30 wholesale agencies. Overall, the SFPUC serves 2.3 million customers in San Francisco, Alameda, Santa Clara and San Mateo counties.

The Hetch Hetchy system provides 85 percent of SFWD's supply. The remainder comes from runoff collected on watershed lands in the East Bay and on the Peninsula. Water from Hetch Hetchy is not filtered; water captured locally is filtered at water treatment plants located in Sunol Valley and San Bruno.

The majority of SFPUC water is delivered unfiltered from Hetch Hetchy because of its high quality and well protected watershed lands. The U.S Environmental Protection Agency and the California Department of Health Services (DHS) has granted "filtration exemption" in recognition of the extraordinarily high quality of the source water. SFPUC must continue to meet the very strict criteria to continue to keep this exemption.

The SFPUC has two water treatment plants. These two treatment plants provide SFPUC with the ability to supply pure, clean water from local reservoirs and to supplement the Hetch Hetchy supply. The Sunol Valley Water Treatment Plant (SVWTP) is located at 8653 Calaveras Road, Sunol, California. The SVWTP was constructed in 1966 and has a maximum capacity of treating 160 million gallons (MGD) of water per day. The Harry Tracy Water Treatment Plant (HTWTP) is located at 2901 Crystal Springs Road, San Bruno, California. The HTWTP was constructed in 1972 and has a capacity of 160 MGD.

On January 2, 1997 the SFPUC Hetch Hetchy Aqueducts were shut down due to high turbidities caused by intense rains in the watershed. During this unprecedented period from January 2 to February 6, 1997 the SFPUC was forced to rely solely on the use of treated water at two water treatment plants on local source water. Both plants experienced simultaneous power outages along with significant water treatment process failures at HTWTP. Fortunately, SFPUC was able to reestablish the process. However, failures of either of the plants during a high turbidity event at Hetch Hetchy would require use of water that would not meet DHS standards, issuance of "boil water" notice and probable loss of "filtration exemption" for Hetch Hetchy water. This is not acceptable.

In response to the problems and the uncertainty of the Hetch Hetchy water quality due to turbidity, an emergency declaration was issued by SFPUC in January 1997. This emergency was to allow critically needed equipment to be purchased and installed to deal with the various treatment failures being experienced.

As an emergency, the projects proceeded based on a design-build approach to shorten the



completion time to a minimum. Critical components of the projects have been installed to provide reliability to operate the plants at full capacity in the event Hetch Hetchy water source becomes unavailable during this winter.

In February, 1997 PUC invited a panel of experts from the consulting engineering firms of CH2M Hill, Black & Veatch, Carollo Engineers, Kennedy Jenks, and Montgomery Watson to evaluate the problems at water treatment plants and established priority to enhance plant reliability. Based on the recommendations, the following projects were implemented to address immediate concern of the HTWTP:

#### **WD2237(E) Chemical Feed System**

The existing chemical feed and injection system are unreliable and are not performing adequately to meet drinking water standards as evidenced by the emergency. The polymer feed system failed on multiple occasions. Treatment plant staff resorted to hand carry buckets of chemical from the tank farm to a make shift feed system in order to keep the plant operational. Temporary systems were installed to by-pass the failed unit. The final permanent chemical feed system improvements will provide redundancy and reliability of the system. Simply stated the treatment plant cannot remain reliably operational at the design flow rates without the system improvements.

The design and procurement of the chemical feed system started in February, 1997. The procurement of equipment, pumps and chemical tanks for the chemical feed system requires long lead times and construction could not commence until the equipment was on site. Construction of the system started in October and is scheduled to complete by the end of April, 1998. Presently the construction is approximately 60 percent complete.

#### **WD2236(E) Control System Upgrade**

The plants require significant upgrade of the plant distributed control system including programmable logic controller (PLC), instrumentation and plant control hardware and software. The control system has been the primary cause of numerous treatment plant outages and process failures over the past year. The existing control system is old, unreliable and does not have the redundancy to back up the system. The plant cannot be operated without the distributed control system.

The design and procurement of the control system started in February, 1997. Field installation of the upgraded system started in July, 1997 and is scheduled to complete by the end of May, 1998. Presently, this upgrade is approximately 50 percent complete.

**WD2251(E) Liquid Oxygen Tank (LOX)**

Harry Tracy Water Treatment Plant uses ozone as the primary disinfectant to allow the plant to treat high volumes of water and meet disinfection credit at higher disinfection rates. Liquid oxygen is used to boost the production of ozone system to meet demand during high production periods such as when the Hetch Hetchy supply is lost. The existing system has limited storage to allow only 24 hours of operation. If a delivery truck were delayed, then the plant would be in a vulnerable position of shutdown at the 140 MGD rate which is needed when the Hetch Hetchy supply is off. Liquid oxygen is delivered from East Bay and there is no assurance of timely delivery in the event of traffic congestion. A second storage tank will provide additional LOX to allow for such an eventuality.

The design for the liquid oxygen system started in October 1997. The liquid oxygen tank is under fabrication and will be delivered in February, 1998. Construction will be completed on March 20, 1998.

**WD2249(E) Filter Media Replacement**

Four existing filters were on the verge of catastrophic failure due to the disruption of filter media. Investigation by the Water Quality Bureau and Water Supply & Treatment Division confirmed that the filters would not provide adequate filtration without immediate repair of the filter media. Increase in filtered water turbidity constituted Department of Health Services' (DHS) Surface Water Treatment Rule violations. Loss of four filters will reduce the plant capacity by 40 percent and it is critical to have all filters available at HTWTP to meet the plant full capacity during outages of Hetch Hetchy supply.

The filter problems was discovered in September, 1997 and ERS, Industrial Inc. was asked to immediately start the work. The filter media replacement work is now 80 percent complete. All four filters will be operational by the end of January, 1998.

In February , 1997, a panel was assembled with experts from major consulting firms to review the various treatment problems at Harry Tracy Water Treatment plant and provide recommendations for immediate actions to enhance plant reliability. Based on the recommendations, the following projects were implemented under the emergency declaration.

**WD 2237E Emergency Chemical Feed System Upgrade****Cost: \$872,000**

The total project for the design and construction is \$872,000. The work consist of design and installation of chemical feed facilities to provide alum, polymer, spare chemical and fluorosilicic acid for the treatment of drinking water at Harry Tracy Water Treatment Plant.

Due to the urgent nature of the work, a Design -Build approach was utilized for this project. Black & Veatch Construction, Inc. was asked to submit a design concept and proposed work plan along with initial cost estimate for the project. They were approached first because they have not done work before for SFPUC and have excellent track record for design performance in the water industry. In addition, B&V also has a general contractor license which would allow them to perform the work quickly. The selection was agreed by Division heads and staff.

To increase the participation of MBE/WBE, the design was expanded to define several subcontract packages. Initial contacts were then made with eleven subcontractors to solicit bids. These eleven firms were selected from HRC list because of their excellent track record working on PUC projects.

The bid documents were sent to MBE/WBE subcontractors who had expressed interest. Despite our aggressive pursuance to increase MBE/WBE participation, only one bid was received from Cresi Electric, a WBE firm for the electrical work. The total amount for Cresi Electric is \$81,464 and is 9.4% of the total contract.

**WD 2236E Emergency Control System Upgrade****Cost: \$1,527,290**

The total cost for the design and installation of the control and instrumentation system upgrade at Harry Tracy Water Treatment Plant is \$1,527,290.

Transdyn Controls is the general contractor, responsible for the design and installation of the upgraded system. Transdyn was selected by WS&TD because of their plant control and instrumentation experience and their recent accomplishment at Sunol Valley Water Treatment plant. Their fee is also comparable to other firms. Transdyn was also able to complete the work in a short time.

Bid documents were send to three MBE/WBE electrical contractors to solicit bids for the installation of the system. Due to the highly specialized nature of the work, subcontractor participation was limited for the installation of the system. Two firms submitted bids and Cresci Electric, the WBE contractor, was selected for low bid at \$86,532. WBE participation is 5.6% of

the total contract amount.

**WD 2251E Emergency Liquid Oxygen Storage Tank****Cost: \$279,840**

This project is to design, furnish and install a new 13,000 gallon horizontal liquid oxygen (LOX) storage tank. The total cost for the design and installation is \$279,840.

Carollo Engineers was retained to provide design and construction of the liquid oxygen storage for the facility. They were hired because of their expertise in the water treatment industry and accomplishment on a water treatment project for SFPUC.

Due to the urgency of this work, Carollo Engineers was asked to proceed with the work on a design-build approach. Carollo Engineers proposed Pacific Mechanical Corporation as the general contractor because of their excellent record working as design-build team on other water projects. Their price was comparable to that submitted by other firms. Based on these factors, the selection of Carollo/Pacific Mechanical was agreed by the Division heads and staff.

To utilize MBE/WBE participation, Pacific Mechanical Corporation solicited bids from HRC certified MBE/WBE subcontractors and suppliers. The project was also advertised in the Daily Pacific Builder requesting quotations from certified MBE/WBE subcontractors and material suppliers. Follow up calls were made to solicit bids from MBE/WBE subcontractors. Despite the good faith effort, no bids were received from the MBE/WBE subcontractors.

**WD 2249E Emergency Filter Media Replacement****Cost: \$405,770**

Investigation of the filters in September, 1997 revealed that there is inadequate filtration of water and a threatened violation of water quality regulations at Harry Tracy Water treatment Plant. The inadequate filtration was found to be caused by disruption of filter media. The scope of this project is to replace filter media immediately in four filters at Harry Tracy Water Treatment Water Treatment Plant. The total cost of the project is \$405,770

ERS Industrial Services, Inc. was selected to replace the filter media because they were highly recommended by a number of water agencies and their material prices were very competitive. The most important factor in using ERS is they had the material in stock and could mobilize immediately.

Item 4 - Item 25-97-18

**Department:** Department of Parking and Traffic

**Item:** Resolution concurring with the Controller's certification that janitorial service and landscape maintenance services at three Department of Parking and Traffic (DPT) office sites and 22 neighborhood off-street parking facilities can continue to be performed by a private contractor for a lower cost than similar services performed by City and County employees.

**Service to be Performed:** Janitorial service and Landscape Maintenance services

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which have been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the janitorial and landscape maintenance services for FY 1997-98 would result in estimated savings as follows:

	Lowest	Highest
City-Operating Service	Salary	Salary
<u>Costs</u>	<u>Step</u>	<u>Step</u>
Salaries	\$193,817	\$228,866
Fringe Benefits	55,397	60,767
Materials and Supplies	<u>15,450</u>	<u>15,450</u>
Total	\$264,664	\$305,083
<u>Contractual Services Cost</u>	<u>(46,956)</u>	<u>(46,956)</u>
<u>Estimated Savings</u>	\$217,708	\$258,127

**Comments:** 1. The Contractual Services Cost is based on the contractor's bid for janitorial and landscape maintenance services. Attachment I is a memo from Mr. Steve Bell of DPT explaining the reason that the contract price is 82 percent to 85 percent lower than the City's in-house cost.



2. Mr. Bell reports that this service has been continuously provided by an outside contractor since May 1985 and has been certified as required by Charter Section 10.104.

3. Mr. Bell reports that DPT's one-year contract with Custodian Janitorial Services for the subject janitorial and landscape maintenance services expired on December 31, 1997. DPT wishes to exercise its option to renew this contract. Approval of the proposed resolution is required before the expired contract with Custodian Janitorial Services can be renewed. Therefore, the proposed resolution should be amended to retroactively authorize the contract to begin January 1, 1998.

4. The Controller's supplemental questionnaire with the Department's responses is shown as Attachment II.

**Recommendation:** Amend the proposed resolution for retroactivity and approve the resolution as amended.



SAN FRANCISCO

City and County of San Francisco

**DPT**

DEPARTMENT OF PARKING &amp; TRAFFIC

LIE LEWIS BROWN, JR., Mayor  
MAHER, EXECUTIVE DIRECTOR

Attachment I

**MEMORANDUM**

Date: January 7, 1998

To: Budget Analyst

From: Steve Bell, DPT

Subject: Question on Proposition J Certification on Extension of Janitorial/Landscaping Contract

In response to your question the estimated contract price is 82% to 85% lower because of salary expense of the contractor.

# CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Parking & Traffic

CONTRACT SERVICES: Cleaning and Landscape Maintenance Service

CONTRACT PERIOD: January 1, 1998 Through December 31, 1998

- (1) Who performed the activity/service prior to contracting out?  
This service has been contracted out for over 12 years.
- (2) How many City employees were laid off as a result of contracting out?  
None.
- (3) Explain the disposition of employees if they were laid off.  
Not Applicable
- (4) What percentage of City employees' time is spent of services to be contracted out?  
Not Applicable
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?  
Since May 1985. This has been and will be an ongoing request for contracting out.
- (6) What was the first fiscal year for a Proposition J Certification? Has it been certified for each subsequent year?  
Since 1992
- (7) How will the services meet the goals of your MBE/WBE Action Plan?  
Current contractor is a minority owned business.
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?  
They are qualified under 12B (ADPICS Vendor profile attached)
- (9) Does the proposed contractor provide benefits to employees with spouses? Is so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?  
They are qualified under 12B (ADPICS Vendor profile attached).

Department Representative: Steve Bell

Telephone Number 554-9825

Item 5 – File 98-1

**Department:** Airport

**Item:** Resolution approving the On Airport Project Development Agreement and the Easement Agreement for West of Bayshore, each of which is by and between the City and County of San Francisco, acting by and through its Airport Commission and the Bay Area Rapid Transit System (BART).

**Description:** The proposed resolution would approve (a) an On-Airport Project Development Agreement and (b) an Easement Agreement for West of Bayshore at the San Francisco International Airport (SFIA). The Development Agreement sets forth the respective obligations of the Airport and BART regarding the design and construction of the fixed facilities for the BART stations, the installation of the operating systems in the stations and provides for the development, construction and financing specifics for the On-Airport BART Project. The Easement Agreement provides for the granting of two non-exclusive easements over Airport property known as the "West of Bayshore" to BART for the construction and operation of BART's transit guideway.

On June 4, 1994, San Francisco voters approved Proposition I, a policy supporting the extension of the Bay Area Rapid Transit (BART) System to the San Francisco International Airport Terminal and directing the Airport Commission and other San Francisco officers and agencies to take all actions necessary to implement this BART transit service. The BART Extension Project to the Airport will total 8.2 miles, including (a) a north-south mainline extension of 7.4 miles from the Colma BART Station to a BART/CalTrain Station in Millbrae, south of the Airport and (b) a BART-SFIA Airport Extension Project of a 0.8 mile east-west aerial stub, perpendicular to the CalTrain/BART mainline, which will terminate at the departure level of the new International Terminal at SFIA. That portion of the BART aerial stub from the mainline tracks to the

western edge of Highway 101 will be constructed on property owned by the Airport and is referred to as the BART West of Bayshore Project for which the Airport will grant certain easements to BART, which is included in the proposed resolution. In addition, that portion of the BART Airport Extension Project which consists of an east-west aerial guideway from Highway 101 connecting to a combined Airport Rail Transit System (ART) and BART aerial structure in the new International Terminal in the Airport is referred to as the On-Airport Project, and is included in the proposed resolution.

In November of 1996, the Board of Supervisors adopted findings pursuant to the California Environmental Quality Act (CEQA) in connection with the BART Extension to the Airport Project and approved a Project Agreement between BART and the City regarding this BART Extension to the Airport Project. This previously approved Project Agreement provides for a contribution of up to \$200 million of Airport funds, through Airport Revenue Bonds, to the Project. Of the \$200 million, \$113 million is budgeted for Airport Interrelated Activities, which will fund the construction of BART fixed facilities on the Airport's property in conjunction with the Airport's master plan construction projects. Such Airport Interrelated Activities include the (1) BART Freeway Overpasses; (2) the combined BART/ART (Airport Rail Transit) Guideway; (3) the "Link Building" connecting the BART Station to the International Terminal; and (4) the International Terminal Enhancements. The \$87 million balance of the \$200 million is budgeted to be expended by BART under the Federal Project Scope portion of the project for BART Operating Systems, including the communications and ground control systems, the traction power systems and security and special systems. In addition, this previously approved Agreement states that all future operating costs associated with the BART-SFIA Extension are the financial responsibility of BART and any work performed by the Airport, on behalf of BART, for such items as maintenance or janitorial services will be reimbursed by BART.

In April of 1997, the Board of Supervisors approved a Lease Agreement with BART to define the terms and conditions of the BART and SFIA Project Agreement, including requiring that BART make lease payments of \$2.5 million annually to SFIA for a period of 50 years, in consideration for BART's leasing of Airport property for BART facilities and equipment. The lease commences when the Airport's debt service on the Project begins or July 1, 2001, whichever is later. As part of this lease, the Board of Supervisors approved a resolution authorizing that if BART should fail to make the \$2.5 million annual lease payments to the Airport or to make payments to the Airport for any maintenance or operation services performed by the Airport on behalf of BART, the Airport would deduct an equal amount from the Annual Service Payments which the Airport currently pays to the City's General Fund. The Annual Service Payments which the Airport currently pays to the City's General Fund is equal to 15 percent of the Airport's non-aeronautical revenues which are primarily concession revenues. In FY 1996-97, these payments to the City's General Fund totaled approximately \$14.1 million. This amount is net of a gross Annual Service Payment of approximately \$19.0 million less approximately \$4.9 million for repayment of a \$25.0 million advance received by the City from the Airport in FY 1993-94. As part of the lease agreement, the City, in turn would then withhold an equal amount from any payments due from the City to BART. Payments from the City to BART which could be withheld are the costs (currently estimated at \$4.8 million annually) for MUNI FastPass users who ride BART within the City at no additional charge.

**Comments:**

1. The proposed Development Agreement, which is the subject of this resolution, would establish the specific terms and conditions for the construction phase of the BART to the Airport Project and provide for issuance of a license prior to the commencement of the Lease Agreement. The proposed Easement Agreement, which is also the subject of this resolution, would grant two non-exclusive easements to BART. According to Ms. Karen Watson of the Airport, many of the provisions in



the subject Development and Easement Agreements mirror provisions that were contained in the previously approved Project Agreement and Lease Agreement, discussed above. The Attachment prepared by Ms. Watson identifies the key terms of both the Development Agreement and the Easement Agreement, that are the subject of the proposed resolution.

2. As outlined in the Attachment, BART will be responsible for any construction cost overruns. If BART fails to pay for these cost overruns, the Airport may elect (a) to not proceed with the BART and Airport Interrelated Activities, discussed above, or (b) to deduct costs from the Airport's obligation to pay for BART's Operating System costs.

In addition, although BART is currently projecting that this BART Airport System will be operational by the end of 2001, as outlined in the Attachment, if BART fails to open and operate the Millbrae BART Station and the Airport BART Station by January 1, 2008, the Airport has the right to terminate the subject Development Agreement and the Lease Agreement, as previously approved by the Board of Supervisors, and the Airport's financial obligation to BART ends. BART would then be responsible for reimbursing the Airport for all costs reasonably incurred by the Airport to make the improvements undertaken for BART. Furthermore, if the Agreements are terminated and BART does not operate the Airport BART Station due to BART's default, then BART must either continue making the 50 annual \$2.5 million lease payments until the Airport receives a total reimbursement of \$125 million or BART must pay the Airport the amount required to retire all outstanding debt issued by the Airport for BART.

3. The proposed Easement Agreement would grant BART two non-exclusive easements for construction of BART guideways, or tracks for operation of the BART trains. One of the easements is for the mainline BART connection between the Millbrae BART Station south of the Airport and the San Bruno BART Station north



of the Airport and this easement would extend until BART abandons this line. The second easement is for the east-west aerial stub that will connect BART to the Airport and this easement would terminate with the end of the BART Lease Agreement. Under the provisions of the Lease and Easement Agreements, BART is not required to pay a separate fee for the proposed easements. However, the Easement Agreement states that if the easement for the east-west stub into the Airport is terminated and the easement for the mainline, which extends from the San Bruno BART Station to Millbrae BART Station, remains in effect, the City has the right to charge BART an easement fee for use of the mainline easement based on the fair market rate, as determined by the Airport using real estate principles, for such easement at the time.

4. The proposed Development Agreement also includes a license for BART's use of certain Airport premises prior to the Lease commencement date. Ms. Watson reports that this license for BART to occupy Airport property, is intended to enable BART to occupy space in the Link Building prior to BART's revenue operation to the Airport, which is when the lease would commence. As previously discussed, the Link Building will connect the BART Station to the International Terminal. According to Ms. Watson, the Link Building is currently under construction and is anticipated to be completed by May of 2000. Ms. Watson further reports that Mr. Keith Grand, the City's Risk Manager has reviewed and approved the proposed license provisions to ensure that the City is adequately protected regarding liability and insurance concerns.

5. The proposed Development Agreement references a separate Caltrans Joint Use and Maintenance Agreement. Ms. Watson reports that the Airport, BART and Caltrans must enter into an additional agreement identified as the Caltrans Joint Use and Maintenance Agreement, which will govern the specific rights of BART to occupy the Caltrans right-of-way within Highway 101 and to construct the

necessary structures and facilities related to this BART to the Airport Project. According to Ms. Watson, that agreement will be subject to the approval of the Board of Supervisors. Ms. Watson estimates that this Joint Use and Maintenance Agreement will be brought before the Board of Supervisors in February or March of 1997.

6. The full cost of the BART to the Airport Project is expected to be \$1.167 billion, funded from the following sources:

Federal Transit Administration (FTA)	
Full Funding Grant	\$750,000,000
SFIA	200,000,000
State Funding	108,000,000
SamTrans	99,000,000
Metropolitan Transportation Commission	<u>10,000,000</u>
Total	\$1,167,000,000

7. According to Ms. Watson, the subject proposed Development and Easement Agreements will not result in any new costs or revenues for the Airport or the City. Rather, these Agreements reiterate many of the provisions contained in the Project and Lease Agreements between the City, through the Airport Commission, and BART, as previously approved by the Board of Supervisors. The Development Agreement further specifies the rights and responsibilities of the Airport and BART during the construction of the On-Airport BART Station and prior to the commencement of the lease. The previously approved Lease Agreement commences when the Airport's debt service on the Project begins or on July 1, 2001, whichever is later. The proposed Easement Agreement would grant two non-exclusive easements to BART for construction and operation of the BART guideway or track system.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

**Development Agreement****Purpose:**

To establish the rights and responsibilities of the Airport and BART during the construction of the on-Airport BART station and prior to the commencement of the Lease.

**Key Terms:**

- provides for Airport expenditure of up to \$200 million (previously agreed to in the BART/Airport Agreement, dated 10/30/96 and approved by Board)
- Airport to construct the BART station and related fixed facilities in conjunction with the Airport's Master Plan construction (estimated budget of \$113 million)
- BART to install the Operating System for Airport station (estimated budget of \$37 million)
- BART responsible for unfunded overrun costs; if BART fails to pay, Airport may elect not to proceed with fixed facilities work or to credit costs from the Airport's obligation to pay for the Operating System
- BART may not install Operating System on Airport property until construction of Millbrae Station is substantially underway
- To the extent the Lease has not commenced, the License Agreement portion of the Development Agreement grants BART access to Airport property to install and test Operating System
- Similar to the Lease, BART will pay rent of \$2.5 million a year for fifty years, commencing on the date on which the Airport's debt service on the project commences, or July 1, 2001, whichever is later
- Similar to the Lease, the Airport may deduct from the Annual Service Payment to the City an amount equal to any amounts past due for the License Period rent, and maintenance/repair obligations payable by BART under the License, beginning no sooner than July 1, 2001. In turn, BART agrees to the City withholding any payments due to BART from the City in amounts equal to the Airport's deduction from the Annual Service Payment.
- If BART fails to open and operate the Millbrae station and the Airport station by January 1, 2008, the Airport will have the right to terminate the Development, License and Lease Agreements. Airport's financial obligation to BART ends and BART will reimburse the Airport for all costs reasonably incurred by the Airport to make the improvements undertaken for BART useable by the Airport.

- If BART is permanently unable to operate the Airport BART station as a result of BART's default and the Agreements are terminated, then BART must either continue paying the annual rent until the Airport has received an aggregate reimbursement of \$125 million or pay the Airport the amount adequate to retire all outstanding financings issued by the Airport for BART.

### Easement

1. Purpose: To grant to BART two easements over the Airport's West of Bayshore property: a "wy-e-stub" easement and an "mainline" easement. BART will construct on such easements BART guideways for BART train operations.
2. Effective Period of Easements: The "wy-e-stub" easement terminates concurrently with the termination of the BART Lease; the "mainline" easement terminates upon BART's abandonment.
3. Easement Fees: As BART is paying rent under the Lease, BART is not required to pay a fee for the use of the easements.
4. City Reservations: City has reserved the right to terminate and/or relocate the easements under certain conditions
5. BART Obligations: BART is required to maintain and repair the easement areas, including the BART guideways, and to assure that the same complies with applicable laws. In particular, BART is required to adhere to strict wildlife and environmental mitigation requirements.
6. Indemnity and Insurance: These provisions are similar to those in the BART Lease.
7. Defaults; Remedies; Dispute Resolution Process: These provisions are similar to those in the BART Lease.

x:\melba\bart\developm.doc

Item 6 - File 101-97-41

**Department:** Department of Public Health (DPH)  
San Francisco General Hospital (SFGH)

**Item:** Supplemental appropriation ordinance appropriating \$643,223 from revenues to be received by the San Francisco General Hospital (SFGH) from the Workers' Compensation Program, related to the takeover by the City's SFGH Workers' Compensation Clinic of the contract services formerly performed at the University of California at San Francisco (UCSF)/Mt. Zion Hospital Workers' Compensation Clinic.

**Amount:** \$643,223

**Source of Funds:** SFGH Patient Revenues, specifically revenues from the City's Workers' Compensation Program. The Workers' Compensation Program has an existing interdepartmental Memorandum of Understanding (MOU) with the DPH for services at the SFGH Workers' Compensation Clinic. This MOU provides for payment to SFGH for medical services from budgeted Workers' Compensation funds. Such services would be expanded under the proposed supplemental appropriation.

**Description:** When City employees have work-related injuries, they are referred by the Human Resources Department (HRD) to authorized clinics for treatment under the Workers' Compensation Program. Until recently, three clinics were authorized by HRD: (1) the SFGH Workers' Compensation Clinic; (2) the San Francisco Airport Occupational Health Clinic; and (3) a Workers' Compensation Clinic administered by UCSF/Mt. Zion Hospital. HRD pays the cost of employee treatment at these clinics, using work order revenues from City departments from funds budgeted for Workers' Compensation expenses.

According to Mr. Peter Praetz of the SFGH, as of October 1, 1997, UCSF/Mt. Zion Hospital no longer wished to administer a Workers' Compensation Clinic because the UCSF/Mt. Zion Hospital could not recover its full costs from billing the Workers' Compensation Program. Mr. Praetz advises that the SFGH Workers' Compensation Clinic can



recover its full costs, because the administrative overhead can be absorbed within DPH operations. Therefore, Mr. Praetz states that as of October 1, 1997, all Workers' Compensation medical treatment formerly provided at the UCSF/Mt. Zion Hospital Clinic has been conducted by the SFGH Workers' Compensation Clinic. The SFGH receives "patient revenue" - in this case, budgeted funds from Workers' Compensation costs - for the additional medical services that are being conducted at the SFGH Workers' Compensation Clinic.

However, currently budgeted FY 1997-98 revenue for the SFGH Workers' Compensation Clinic does not reflect the increase in patient visits that is occurring as a result of the closure of the UCSF/Mt. Zion Clinic, as well as a projected 5 percent increase in patient visits above the combined FY 1996-97 patient visits for both clinics. In addition, Mr. Praetz advises that, starting July 1, 1997, the SFGH increased the fee schedule for workers' compensation medical services to match the State Official Medical Fee Schedule reimbursement rates. The proposed ordinance would recognize this increase of \$632,223 in the existing the Workers' Compensation Program MOU with the SFGH, and authorize appropriation of this \$632,223 to cover the costs of providing the additional medical services.

Mr. Fred Howell of the HRD Workers' Compensation Program states that the HRD has agreed to pay, through expansion of the existing MOU, a flat fee of \$847,633 to the SFGH Workers' Compensation Clinic for FY 1997-98, which is \$643,223 greater than the \$204,410 that was originally budgeted for the SFGH Workers' Compensation Clinic. Mr. Praetz advises that the flat fee is based on (1) projection of patient visits (See Attachment No. 1 provided by the SFGH); (2) the new fees, which vary depending upon the type of treatment provided; and (3) an increase in billable case management services. Attachment No. 2, also provided by the SFGH, shows the total revenue forecast (i.e. the billable costs associated with the medical services provided) and additional projected revenue above the \$204,410 already included in the SFGH FY 1997-98 budget. (See Comment No. 1.)



During FY 1996-97, the SFGH Workers' Compensation Clinic had 6,878 patient visits. The SFGH projects that FY 1997-98 patient visits will total 12,311, for an increase of 5,433, based on nine months of providing expanded services. (See Attachment No. 1.) The SFGH Workers' Compensation Clinic started absorbing the UCSF/Mt. Zion Hospital visits starting October 1, 1997, or for nine months of the fiscal year. On an annualized basis (i.e., when SFGH provides the additional services for an entire year), the SFGH Workers' Compensation Clinic expects its patient visit volume to more than double, from 6,878 to 13,982. The figure of 13,982 is derived from doubling the total January to June, 1997 patient visits for SFGH and UCSF/Mount Zion Hospital patient visits.

**Budget:**

The \$643,223 budget for the additional services to be provided by the SFGH Workers' Compensation Clinic retroactively from October 1, 1997 through June 30, 1998 is shown in Attachment No. 3, provided by the SFGH. The proposed budget includes (1) \$307,487 in SFGH personnel costs, related to filling 7.5 vacant positions at the SFGH; (2) \$295,248 for expansion of the Affiliation Agreement between the SFGH and UCSF, related to 2.5 new UCSF Physicians, 0.5 new FTEs of Management Information Systems (MIS) support, and related supplies and equipment; (3) \$20,700 in other current SFGH expenses, which have been estimated based on expenses at the UCSF/Mt. Zion Hospital Clinic; and (4) \$19,788 in SFGH supplies, including medical records charts, filing cabinets and general medical supplies.

According to Ms. Maggie Rykowski of the SFGH Workers' Compensation Clinic, the additional 7.5 existing vacant positions that would be filled, and the increases of 2.5 Physicians and 0.5 MIS personnel under the UCSF Affiliation Agreement, or a total of 9.5 FTEs, are being requested in order to handle the approximate doubling of patient visits handled by the Clinic. According to Ms. Rykowski, the budget provides for the filling of 7.5 vacant positions, including an additional 3.5 Class 2105 Patient Services Finance Technicians, above the 4 previously filled positions, to process workers' compensation records as required by State law and to register patients, one Class 2312 Licensed Vocation Nurse, two Class 2328 Nurse Practitioners and one Class 2320 Registered Nurse Case

Manager. The filling of these 7.5 vacant positions would approximately double the previous Clinic staff of 8 positions in these classifications. Ms. Rykowski states that the Clinic operated with approximately 4.3 FTEs of Physician time prior to absorbing the UCSF/Mt. Zion Hospital patients; the subject request would add 2.5 new Physicians, so the Physician staff would be increased by approximately 58 percent.

As shown in Attachment No. 3, the annualized cost of the proposed new staffing and related expenses would total \$857,630. Mr. Howell states that the Workers' Compensation Program will include the most recent projection of Workers' Compensation Program clinical expenses in its overall Workers' Compensation budget for FY 1998-99, and the SFGH expects to include revenues and expenditures of approximately this amount in its proposed FY 1998-99 budget for the SFGH Workers' Compensation Clinic.

**Comments:**

1. Mr. Howell advises that, because the closure of the UCSF/Mt. Zion Clinic and the fee increases were anticipated by the Workers' Compensation Program, the FY 1997-98 Workers' Compensation budget included an increase of \$500,000 related to medical services costs. Mr. Howell states that the balance of \$143,223 (\$643,223 in new MOU costs less \$500,000), will be easily absorbed in the existing budgets of the various City departments with increased Workers' Compensation costs. Mr. John Madden of the Controllers' Office states that the Controller will examine Workers' Compensation spending during his six and eight-month reviews, but does not expect the proposed supplemental appropriation to exceed budgeted funds for Workers' Compensation.

2. As stated earlier, the Workers' Compensation Program and the SFGH have negotiated a flat fee of \$847,633 for FY 1997-98. Mr. Praetz states that the flat fee arrangement will eliminate the need for the SFGH to bill the Workers' Compensation Program individually for each patient visit, and therefore avoid the need for the SFGH to hire an additional Biller and Collector, at a cost of \$65,123 according to the SFGH. Mr. Howell states that the MOU provides for adjustment of the flat fee after periodic reviews, to ensure that the Workers' Compensation Program is not paying a flat

fee in excess of the actual billable cost of the medical services provided by the SFGH.

- Recommendation:**
1. Amend the proposed ordinance to provide retroactive authorization.
  2. Approve the proposed supplemental appropriation ordinance as amended.

## 42

RAA9/10/97

WORKERS' COMP

NEW PROGRAM  
REVENUE DETAIL  
AT 100% OMFS RATES

JUL-SEP SFGH ONLY  
OCT-JUN COMBINED

**NET REVENUE FORECAST(SFGH Only - 1Q, Combined - 2-4Q)**  
**(IF NEW 100% OMFS RATES USED ALL YEAR)**

FY 1997/98 100% OMFS RATE

	Visit Code	Visit Volume	Rate	Net Revenue
<b>CLINIC VISIT CHARGES</b>				
	New Pt Visits			
	99201	161	\$ 32.89	\$ 5,295
	99202	240	\$ 48.62	\$ 11,669
	99203	3,393	\$ 64.35	\$ 218,340
	99204	467	\$ 92.24	\$ 43,076
	99205	44	\$ 122.27	\$ 5,380
	TOTAL	4,305		\$ 283,760
	Follow-Up Visit			
	99211	-	\$ 20.02	\$ -
	99212	1,410	\$ 30.03	\$ 42,342
	99213	6,456	\$ 40.04	\$ 258,498
	99214	140	\$ 60.78	\$ 8,509
	99215	-	\$ 92.95	\$ -
	TOTAL	8,006		\$ 309,350
	VISIT TOTAL	12,311		\$ 593,109
<b>ADDITIONAL REV FROM EXPANDED CONTRACT</b>				
Patient/Stationary Status Reports		1,077	\$ 150.00	\$ 161,550
Case Management - Brief		2,281	\$ 11.44	\$ 26,095
Case Management - Intermediate		2,281	\$ 29.32	\$ 66,879
	TOTAL			\$ 254,524
TOTAL WORKERS' COMP REVENUE =				\$ 847,633
SUGGESTED FLAT FEE FOR 97/98 =				\$ 847,633
(Equal to expected revenue from new fee schedule)				
REVENUE ALREADY IN BUDGET BASELINE =				\$ 204,410
ADDITIONAL REVENUE FOR SUPPLEMENTAL =				\$ 643,223

Note: Volume figures adjusted for Oct. 1 move of Mt. Zion Clinic  
Statistical spread of visits by acuity per new fee schedule based on 96/97 SFGH actuals.



# STAFFING EXPENSE WORKERS' COMP CLINIC FLAT FEE OPTION

SFGH, UC SEPARATED

COSTS BASED ON  
9 MOS OPERATION

Budget Sub-Obj	Job Code	Position	Additional Positions	Annual Expense	Amount of Supplemental
		In HGH3OCL40011, Program D30			(9 months)
00100	2105	Patient Svcs Finance Tech	3.50	\$ 111,292	\$ 83,469
00100	2312	Licensed Vocational Nurse	1.00	\$ 39,910	\$ 29,933
00400	2320	RN Case Manager	1.00	\$ 59,358	\$ 44,519
00400	2328	Nurse Practitioner	2.00	\$ 131,092	\$ 98,319
		Sub-Total D30	7.50	\$ 341,652	\$ 256,239
		TOTAL HOSPITAL STAFF			
01300		Fringe Benefits @20%	7.50	\$ 341,652	\$ 256,239
		TOTAL LABOR		\$ 68,330	\$ 51,248
				\$ 409,982	\$ 307,487
		Physicians			
		MIS Support	2.50	\$ 332,701	\$ 249,526
		Supplies & Equipment	0.50	\$ 26,296	\$ 19,722
02700		TOTAL PROFESSIONAL SERVICES		\$ 34,667	\$ 26,000
			3.00	\$ 393,664	\$ 295,248
03500		Other Current Expense		\$ 27,600	\$ 20,700
04000		Supplies		\$ 26,384	\$ 19,788
		TOTAL NON-LABOR		\$ 447,648	\$ 335,736
		NEW PROGRAM TOTAL	10.50	\$ 857,630	\$ 643,223
		SFGH	7.50		
		UC MDs	3.00		
		positions at Step 1, except where staff is expected to transfer from UCSF			
		positions at Mt. Zion. UC physician expense includes benefits.			



Item 7 - File 101-97-42

**Department:** Department of Public Health (DPH)  
San Francisco General Hospital (SFGH)

**Item:** Supplemental appropriation ordinance appropriating \$124,370 from SFGH patient revenues for Medi-Cal services to support the San Francisco General Hospital Pathology Laboratory.

**Amount:** \$124,370

**Source of Funds:** SFGH Medi-Cal Patient Revenues in excess of budgeted revenues as certified by the Controller.

**Description:** The proposed supplemental appropriation ordinance would appropriate \$124,370 in increased Medi-Cal patient revenues to cover the costs of cytology exams performed at the SFGH. A cytology examination tests for the pathologic dissolution or disintegration of cells.

Currently, the DPH Family Planning and Breast and Cervical Cancer Prevention Programs (BCCPP) refer cytology examinations (i.e., Pap smears) to an outside laboratory, PathNet Esoteric Laboratories. The proposed supplemental appropriation would allow the DPH Family Planning and BCCPP to refer Pap smears and Pathologist reviews of Pap smears to the SFGH Pathology Laboratory, instead of to a laboratory located outside of San Francisco. The SFGH Pathology Laboratory is operated by City employees and employees of the University of California at San Francisco (UCSF) under the UCSF Affiliation Agreement (i.e., contract).

Ms. Ann Okubo of the DPH advises that PathNet Esoteric Laboratories is located in Los Angeles, and has a longer turn-around time in providing the results of cytology exams to patients than would the SFGH. Specifically, the turnaround time for providing a preliminary diagnosis of the cytology examination by telephone is up to 15 days at PathNet Esoteric Laboratories, compared to two days at the SFGH Pathology Laboratory. The turnaround time for providing a hard copy of the final diagnosis is up to 15 days at PathNet Esoteric Laboratories, compared to four

days at the SFGH Pathology Laboratory. (See Comment 7.) DPH is requesting this ordinance in order for DPH employees together with UCSF employees to perform the cytology examinations at the SFGH Pathology Laboratory.

Medi-Cal reimburses the subject services at fixed rates, whether they are performed by a private laboratory or by the SFGH contracting with UCSF. The DPH/UCSF cost for these services would be entirely supported by new Medi-Cal patient revenues, as detailed in the following paragraphs.

**Budget:**

According to Ms. Okubo, the total cost of operating the program from February 1, 1998 through June 30, 1998, will be \$66,663. This expenditure of \$66,663 is less than the supplemental appropriation amount of \$124,370 because the \$124,370 assumed a start date for the program of September 15, 1997, including a start date for the SFGH personnel of December 1, 1997. In fact, the actual program start date would be approximately February 1, 1998, with an anticipated start date for SFGH personnel of March 1, 1998. The following table indicates the original budget for this supplemental appropriation request, the revised budget, and the Budget Analyst's recommended reduction:

	<u>Original Request</u>	<u>Revised Budget</u>	<u>Budget Analyst's Recommended Reduction</u>
<u>Personnel – SFGH</u>			
2105 Patient Services Financial Technician	\$22,215	\$12,696	\$9,519
Fringe Benefits	<u>4,443</u>	<u>2,539</u>	<u>1,904</u>
Total Personnel	26,658	15,235	11,423
<u>Professional Services</u>			
Expansion of existing Affiliation Agreement with University of California at San Francisco (UCSF)			
Cytology Technician	\$63,000	\$33,158	\$29,842
0.2 FTE Pathologist	21,806	11,477	10,329
Medi-Cal Supplies	<u>12,906</u>	<u>6,793</u>	<u>6,113</u>
Total Professional Services	97,712	51,428	46,284
TOTAL	\$124,370	\$66,663	\$57,707

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The following table shows the revenue estimate from January 12, 1998 through June 30, 1998 or approximately 5.5 months is as follows:

<u>Number</u>	<u>Description</u>	<u>Medi-Cal Reimbursement</u>	<u>Total Revenue</u>
7,500	Cytology Exams	\$7.15 each	\$53,625
1,875	Pathology Review	\$14.98 each	<u>28,088</u>

TOTAL ANTICIPATED MEDI-CAL PATIENT REVENUE \$81,713

**Comment:**

1. The revenue estimate of \$81,713 is \$15,050 more than the revised budget of \$66,663. According to Ms. Okubo, this \$15,050 would remain unappropriated.

2. As shown in the Budget Section of this report, the Budget Analyst recommends that SFGH Personnel expenditures be reduced by \$11,423, from \$26,658 to \$15,235, since the 2105 Patient Services Financial Technician is not anticipated to begin working until March 1, 1998 instead of December 1, 1997. In addition, the Budget Analyst recommends reducing the Professional Services contract amount with UCSF by \$46,284, from \$97,712 to \$51,428, since the contract expansion with UCSF began January 12, 1998 instead of September 15, 1997. These recommendations would result in total reductions of \$57,707.

3. The 2105 Patient Services Financial Technician at SFGH will be filled from an existing, vacant budgeted DPH position. Therefore, the proposed supplemental appropriation would not involve creation of a new DPH position and would not require an amendment to the Annual Salary Ordinance.

4. Ms. Okubo advises that the cost of providing these cytology examination services through a combination of the UCSF contract employees plus the addition of one SFGH 2105 Patient Services Financial Technician is estimated at \$7.15 for Cytology Exams and \$14.98 for Pathology Reviews. These amounts are equal to the Medi-Cal reimbursement rates and the rates charged by PathNet Esoteric Laboratories.

5. According to Mr. Stuart Gunn of PathNet Esoteric Laboratories, PathNet's average fees for cytology examinations and pathology reviews are more than the Medi-Cal reimbursement rates, although PathNet provides these services to the DPH for the Medi-Cal reimbursement rates. Mr. Gunn believes that it would be difficult for any laboratory to provide these services at a cost of less than the Medi-Cal reimbursement rate. In addition to the services themselves, Mr. Gunn reports, there are several components to cytology examination and pathology review services, which PathNet provides in exchange for the Medi-Cal reimbursement rate, as follows:

- (1) Billing of Medi-Cal and the State Office of Family Planning;
- (2) Client services, including providing the multiple Family Planning Program sites with appropriate Medi-Cal supplies;
- (3) Quality assurance in the form of monthly and quarterly reports to the DPH; and
- (4) Annual workshops for DPH clinicians.

6. Mr. Gunn reports that PathNet took over the contract with the DPH for cytology examination services from another private laboratory, DSA Laboratories, last year. Mr. Gunn advises that PathNet inherited a backlog when it took over the contract that resulted in longer turn-around times. Mr. Gunn advises that PathNet anticipates a future turn-around time of ten days rather than the 15-day average of the past year.

7. The Budget Analyst notes that, under the current procedure, where an outside laboratory is contractually obligated to provide cytology examinations for the Medi-Cal reimbursement rates, regardless of the costs of the laboratory, the City assumes no risk for cost overruns. Under this proposed new process, there are no guarantees that the City's costs would not exceed the Medi-Cal revenues that are reimbursed to the City.

If the Board of Supervisors approves this proposed supplemental appropriation, the Budget Analyst recommends that the DPH return to the Board of

Supervisors after six months to report on the actual costs of providing cytology examinations and pathology reviews.

**Recommendations:**

1. In accordance with Comment No. 2, above, amend the proposed ordinance by reducing the total amount by \$57,707, from \$124,370 to \$66,663, including reductions in (a) Permanent Salaries by \$9,519 and Fringe Benefits by \$1,904, or a total reduction in Personnel of \$11,423; and (b) Professional Services by \$46,284. These reductions are based on later than expected start dates.

2. Amend the proposed ordinance to require that the DPH report to the Board of Supervisors in six months on the actual costs of providing cytology examinations and pathology reviews.

3. Approval of the proposed ordinance, as amended, is a policy decision for the Board of Supervisors.





Item 8 - File 97-97-68

**Item:** Hearing to consider whether or not Chapter 67 of the Administrative Code (the San Francisco Sunshine Ordinance) should be amended to include a subsection that requires non-profit organizations that contract with the City to comply with certain sections of the Sunshine Ordinance.

**Description:** In July of 1993, the Board of Supervisors approved an ordinance amending the Administrative Code by adding Chapter 67, referred to as the Sunshine Ordinance. The Sunshine Ordinance sets forth rules and regulations to ensure that the City's operations are open to the public's review by requiring actions such as public notices of meetings and agenda disclosures (File 97-93-6). Currently, non-profit organizations that receive City funds and perform City services are not required to comply with the Sunshine Ordinance.

According to the Sponsor's Office, the public has requested access to meetings conducted by Boards of Directors of non-profit organizations, which receive City funds, particularly where budget or financial items are being discussed, reviewed or approved. According to the Sponsor's Office, the subject hearing is being held to consider amending the Sunshine Ordinance to include a subsection that will apply to non-profit organizations that contract with the City. The Sponsor's Office advises that non-profits would be required to: (a) set aside 30 minutes of every meeting for public comment; (b) give formal notice of meetings by a reasonable time; (c) provide copies of regularly prepared meeting agendas and minutes, if they are already prepared for the meeting, as a public record; and (d) provide full financial disclosure of all budget items.

**Comments:** 1. According to the Sponsor's Office, they are currently working with the City Attorney's Office and the Sunshine Ordinance Task Force to research and draft an amendment to the Sunshine Ordinance that would apply to non-profit organizations. The Sponsor's Office advises that the intent is that neither the City nor non-profit organizations would incur additional costs as a result of such an amendment to the Sunshine Ordinance.

2. According to the Sponsor's Office, it has not yet been determined who would be responsible for enforcing the amended ordinance. Mr. Bob Planthold of the City's Sunshine Ordinance

Memo to Finance Committee  
January 21, 1998 Finance Committee Meeting

Task Force advises that, if the Sunshine Ordinance Task Force were charged with enforcement, no additional staff or funding would be requested from the City.



Harvey M. Rose

cc: President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Matthew Hymel  
Stephen Kawa  
Ted Lakey

MINUTES  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO  
REGULAR MEETING

DOCUMENTS DEPT.  
JAN 29 1998  
SAN FRANCISCO  
PUBLIC LIBRARY

WEDNESDAY, JANUARY 28, 1998 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS MABEL TENG, BARBARA KAUFMAN, AMOS BROWN

ABSENT: Supervisor Brown for action on Item 1a.

CLERK: JONI BLANCHARD

Meeting Commenced: 1:06 p.m.

CONSENT CALENDAR

1. All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Committee and will be acted upon by a single, roll-call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- a) File 98-0025. [Reserved Funds, Mayor's Office] Hearing to consider release of reserved funds, Mayor's Office of Children, Youth and Their Families, in the amount of \$200,000, for the purpose of establishing the San Francisco Child Care Facilities Financing Program. (Mayor's Office of Children, Youth and Their Families)  
(Consideration continued from 1/7/98)

SPEAKERS: Harvey Rose, Budget Analyst; Jeff Mori, Mayor's Office of Children, Youth and Families; Amy Kershaw, Mayor's Office of Children, Youth and Families; Michele Rutherford, Dept. of Human Services; Joe Wilson; Maria Torre; Audrey Harlan.

ACTION: REMOVED FROM CONSENT CALENDAR. Hearing held. Release of \$100,000 for the Family Child Care Assistance Program approved. Filed.

Note: \$100,000 release request for the Family Child Care Center Assistance Program not released (see budget analyst report in file).

- b) File 98-0046. [Reserved Funds, Fire Department] Hearing to consider release of reserved funds, Fire Department (1992 Fire Protection Bond Proceeds - Ordinance 430-96), in the amount of \$483,259, for the purpose of funding the construction contract and related construction services of Fire Station No. 14; companion to File 000-98-047. (Department of Public Works)

SPEAKERS: None.

ACTION: Release of \$483,259 approved. Filed.

- c) File 98-0047. [Reserved Funds, Department of Public Works] Hearing to consider release of reserved funds, Department of Public Works (State Grant, Resolution 1026-97), in the amount of \$1,062,741, for the purpose of funding the construction contract and related construction services of Fire Station No. 14; companion to File 000-98-046. (Department of Public Works)

SPEAKERS: None.

ACTION: Release of \$1,062,741 approved. Filed.

#### REGULAR ITEMS

2. File 68-97-9. [Funds, Local Law Enforcement Block Grant] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and expend a grant in the amount of \$2,796,944 from the U.S. Department of Justice to administer the Local Law Enforcement Block Grant program, and waiving indirect costs. (Mayor Willie L. Brown, Jr.)

SPEAKERS: Harvey Rose, Budget Analyst; Kim Burton, Director, Mayor's Office of Criminal Justice - support; Sgt. Colleen Fatooh, SFPD - support.

ACTION: Hearing held. Amended on page 1, line 3 and on page 2, line 9, between "to" and "apply" to insert "retroactively". (See new title). Recommended as amended

New Title: [Funds, Local Law Enforcement Block Grant] Resolution authorizing the Mayor of the City and County of San Francisco to retroactively apply for, accept and expend a grant in the amount of \$2,796,944 from the U.S. Department of Justice to administer the Local Law Enforcement Block Grant program, and waiving indirect costs. (Mayor Willie L. Brown, Jr.)

3. File 97-97-67. [Capital Improvement Advisory Committee] Ordinance amending Administrative Code Sections 3.20, 3.21 and 3.22 to allow the Mayor, instead of the Capital Improvement Advisory Committee (CIAC) to appoint the members of the CIAC, to provide that the City Administrator is a non-voting ex-officio member of the committee, to direct the CIAC to provide any information necessary for the City Administrator to report to the Board of Supervisors on all long-term financial proposals and capital improvement projects, and to provide that the CIAC review all capital improvement projects and long-term financing proposals and provide information on such projects to the City Administrator. (Mayor)  
(Consideration continued from 1/14/98)

SPEAKERS: None.

ACTION: Amendment of the Whole (with new title) adopted. (See new title). Recommended as amended.

New Title: [Capital Improvement Advisory Committee]  
Ordinance amending Chapter 3 of the San Francisco Administrative Code by amending Section 3.20 thereof. (Mayor)

4. File 97-97-52. [Surplus Goods Donation] Ordinance amending Administrative Code Section 6.01 to authorize the Director of Purchasing to dispose of surplus goods by donation for reuse or recycling. (Supervisors Brown, Bierman)

SPEAKER: Ted Lakey, Deputy City Atty. - provided information.

ACTION: Hearing held. Recommended.

5. File 98-0050. [Appropriation, Ethics Commission] Ordinance appropriating \$82,448, Ethics Commission, from the General Fund Reserve-Ethics Commission, for salary, fringe benefits and non-personal services for the creation of 1.41 position for fiscal year 1997-98; see Files 98-0057 and 64-97-22. RO #97187. (Controller)

SPEAKERS: Harvey Rose, Budget Analyst; Ginny Vida, Executive Director, Ethics Commission; Shawn Allison, Ethics Commission.

ACTION: Hearing held. Consideration continued to 2/4/98.

6. File 98-0057. [Salary Ordinance Amendment, Ethics Commission] Ordinance amending Ordinance No. 307-97 (Annual Salary Ordinance, 1997/98), Ethics Commission, reflecting the creation of 1.41 new positions; see Files 98-0050 and 64-97-22. (Department of Human Resources)

SPEAKERS: Harvey Rose, Budget Analyst; Ginny Vida, Executive Director, Ethics Commission; Shawn Allison, Ethics Commission.

ACTION: Hearing held. Consideration continued to 2/4/98.



7. File 64-97-22. [Lease Amendment, 1390 Market Street] Resolution authorizing an amendment of an existing lease of real property at 1390 Market Street for the Ethics Commission; see Files 98-0050 and 98-0057. (Real Estate Department)

SPEAKERS: Harvey Rose, Budget Analyst; Tony DeLucchi, Director of Property, Real Estate Department - support.

ACTION: Hearing held. Recommended.

8. File 98-0052. [Appropriation, Port Commission] Ordinance appropriating \$2,000,000, Port Commission, of San Francisco Harbor Operating fund balance to fund the costs of repair to the marginal wharves from Pier 1-1/2 to Pier 5 to accommodate the new promenade for the Mid Embarcadero Roadway Project, for fiscal year 1997-98. R #97170 (Controller)

SPEAKERS: Harvey Rose, Budget Analyst; Alex Lee, Port - support; Stephanie Downs, Port - support.

ACTION: Hearing held. Recommended.

9. File 28-97-12. [Emergency Repair, Geary/23rd Avenue Sewer] Resolution approving the expenditure of funds for the emergency work to replace the structurally inadequate sewer at the intersection of Geary Boulevard and 23rd Avenue - \$55,783.27. (Public Utilities Commission)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

10. File 98-0007. [Lease of Property] Resolution authorizing a 10-year lease of Public Utilities Commission land between the City and Count of San Francisco and SMART SMR of California, Inc., dba Nextel Communications, in the City of Millbrae, San Mateo County. (Public Utilities Commission)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

11. File 98-0051. [Appropriation, PUC-Clean Water] Ordinance appropriating \$3,500,000, Department of Public Utilities-Clean Water Clean Water Program fund balance for the construction of new Southeast Plant Aeration Basins Influent Channel and design of a Booster Pump Station upgrade for fiscal year 1997-98. RO #97188. (Controller)

SPEAKER: Harvey Rose, Budget Analyst.



ACTION: Hearing held. Amended on page 1, lines 1, 14, and 24 to replace "\$3,500,000" with "\$3,468,646"; amended on page 1, line 22 to replace "\$2,800,000" with "\$2,768,646". (See new title). Recommended as amended.

New Title: [Appropriation, PUC-Clean Water] Ordinance appropriating \$3,468,646, Department of Public Utilities-Clean Water, Clean Water Program fund balance for the construction of new Southeast Plant Aeration Basins Influent Channel and design of a Booster Pump Station upgrade for fiscal year 1997-98. RO #97188. (Controller)

12. File 121-97-10. [Displaced Worker Protection Act] Ordinance amending Police Code by adding Article 33C, Sections 3300C.1 through 3300C.6, to provide for the retention of security, janitorial, buildings maintenance and non-professional health care workers when a successor contract is awarded. (Supervisor Bierman)  
(Consideration continued from 1/7/98)

SPEAKERS: Ken Cleaveland, BOMA - opposed; Noah Froio (for Cecilia Metz, Exec. Dir., Golden Gate Restaurant Association) - opposed; Richard Leung, President, Service Employees Union Local 87 - support; Kim King, King Security Services - opposed; Bob Ulreich, President, International Union of Security Workers - support; Ibanga Inyang, Bayshore Security Services - opposed; Rich Gunn, Burr, Pilger & Mayer - opposed; Scott Hauge - opposed; Marc Mosher, Committee on Jobs - opposed; Bob Begley, Hotel Council of San Francisco - opposed; Julie Davis, S.F. Chamber of Commerce - opposed.

ACTION: Hearing held. Consideration continued to the Call of the Chair.

VOTE ON ALL ITEMS WAS 3 - 0 EXCEPT FOR ITEM NO. 1a WHICH VOTE WAS 2 - 0 (WITH SUPERVISOR BROWN ABSENT FOR ACTION ON THAT ITEM).

Meeting Adjourned: 3:12 p.m.



0.25  
CITY AND COUNTY



OF SAN FRANCISCO

DOCUMENTS DEPT.

/98  
2d  
32)  
**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

JAN 28 1998  
SAN FRANCISCO  
PUBLIC LIBRARY

January 23, 1998

**TO:** Finance Committee  
**FROM:** Budget Analyst *Recommendations for meeting of*  
**SUBJECT:** January 28, 1998 Finance Committee Meeting

Item 1a - File 98-25

**Note:** This item was continued from the January 7, 1998 Finance Committee Meeting.

**Department:** Mayor's Office of Children, Youth and Families (MOCYF)

**Item:** Hearing to consider release of \$200,000 from the Child Care Facilities Loan Fund placed on reserve during the FY 1997-98 budget process pending selection of contractors.

**Amount:** \$200,000

**Source of Funds:** General Fund Reserve

**Description:** During the FY 1997-98 budget process, the Board of Supervisors approved a \$200,000 appropriation for a Child Care Facilities Loan Fund, placing the \$200,000 on reserve pending cost details. The MOCYF is now requesting that these funds be released from reserve.

The request would allocate funds to child care providers to make capital improvements through the following programs:

### **The Family Child Care Assistance Program**

Of the proposed \$200,000, \$100,000 would be earmarked for family child care providers. Family child care providers are individuals who are licensed by the State to care for four to twelve children in their owned or leased residences. State-licensed child care providers who care for low-income children would be eligible for grants of \$1,000 to \$5,000 to support one-time capital improvements to their residences, which also serve as child care facilities. Child care providers who own or rent would be eligible to receive the grants. The purpose of these grants would be to increase or maintain child care capacity. Child care providers who receive grants, but go out of business within three years, would be required to repay the grant funds back to the City.

### **Child Care Center Assistance Program**

Of the proposed \$200,000, \$100,000 would be expended for capital improvements at non-profit child care centers. As of the writing of this report, the MOCYF has not determined, (a) cost details for the Program, (b) eligibility requirements, (c) loan repayment schedules and related interest rates and (d) allocations to specific child care centers.

However, Ms. Amy Kershaw of the Starting Points Initiative, an early childhood planning effort housed in MOCYF, reports that the Low Income Housing Fund (LIHF), a nonprofit organization, is highly qualified to administer the Child Care Center Assistance Program. The City will also have on-going input into program administration and design, and MOCYF will present an annual report and an initial six-month report to the Board of Supervisors, according to Ms. Kershaw.

### **Program Administration**

As previously noted, the Child Care Facilities Loan Fund would be administered by a non-profit organization rather than directly by the City. This non-profit organization would be supported by a direct \$50,000 grant from the Miriam and Peter Haas Fund. MOCYF has selected the Low Income

Housing Fund (LIHF), a nonprofit financial intermediary, to administer the Child Care Facility Loan Fund. LIHF was selected on a sole source basis, since the organization:

- (1) has significant lending and public/private partnership experience;
- (2) would administer the Child Care Facilities Loan Fund at no cost to the City, since the contract costs would be fully supported by the \$50,000 grant from the Peter M. Haas Fund; and
- (3) could implement the program immediately.

It should be noted that LIHF is not contracting directly with the City to provide these services. Rather, LIHF's administration of the Child Care Facilities Loan Fund is being funded by the direct \$50,000 grant from the Miriam and Peter M. Haas Fund, and the City is providing the \$200,000 proposed to be released from reserve to LIHF for grants and loans. Implementation of the capital improvements would be the responsibility of the child care providers themselves.

**Comments:**

1. Ms. Kershaw advises that the MOCYF has appointed a Program Advisory Committee to ensure that the Child Care Facilities Loan Fund meets the needs of child care providers. The first meeting of this Committee is scheduled for February 5, 1998. The Program Advisory Committee includes representatives of City Departments, family child care providers and child care center providers, representatives from funding agencies (including the Miriam and Peter Haas Fund and any other future funders), child care advocates, and others. The Program Advisory Committee would include at least ten members.

2. The Miriam and Peter Haas Fund has committed \$250,000 for the Child Care Center Assistance Program, two individual private donors have committed \$60,000, and several local banks have indicated an interest in working in partnership with the Program, Ms. Kershaw reports.

**Recommendations:** 1. Release \$100,000 for the Family Child Care Assistance Program.

2. Approval to release the \$100,000 for the Child Care Center Assistance Program is a policy decision for the Board of Supervisors since the MOCYF has not yet determined (a) cost details for this Program, (b) eligibility requirements, (c) loan repayment schedules and related interest rates, and (d) grant allocations to specific child care centers.



Items 1b and 1c - Files 98-46 and 98-47

**Department:** Department of Public Works (DPW)

**Item:** File 98-46: Hearing to consider the release of reserved funds in the amount of \$483,259 of 1992 Fire Protection Bond Proceeds to fund a portion of the cost of renovating Fire Station #14.

File 98-47: Hearing to consider the release of reserved funds in the amount of \$1,062,741 to fund a portion of the cost of renovating Fire Station #14.

**Amount:**           \$483,259:   File 98-46  
                      ~~1,062,741~~:   File 98-47  
                      \$1,546,000:   Total

**Source of Funds:**   File 98-46:   Previously appropriated but reserved 1992 Fire Protection Bond Proceeds  
                          File 98-47:   Previously appropriated but reserved Federal Hazard Mitigation Grant Funds granted by the Federal Emergency Management Agency

**Description:**       The renovation work to be performed at Fire Station #14, which is located at 551 26<sup>th</sup> Avenue, consists of seismic upgrades, hazardous material abatement, increased accessibility to public areas, the construction of separate facilities for female firefighters, and mechanical and electrical improvements.

File 98-46

In October of 1996, the Board of Supervisors appropriated 1992 Fire Protection Bond Fund proceeds in the amount of \$14,233,588 for the purpose of funding architectural and engineering services and construction costs in connection with the rehabilitation of 20 Fire Department facilities and to pay for the costs related to administration of the bond program (File 101-96-12). Of the \$14,233,588, a total of \$7,864,100 was placed on reserve pending submission of cost details to the Finance Committee.

This request is for release of \$483,259 of the \$7,864,100 on reserve for the purpose of funding a portion of the project to renovate Fire Station #14.

File 98-47

In November of 1997, the Board of Supervisors authorized the Department of Public Works to accept and expend retroactively hazard mitigation grant funds in the amount of \$6,216,434 from the California Office of Emergency Services on behalf of the Federal Emergency Management Agency for the purpose of funding 11 hazard mitigation projects (File 148-97-5). Of the \$6,216,434 authorized for acceptance and expenditure, \$4,196,840 was placed on reserve, pending submission of cost details to the Finance Committee.

This request is for release of \$1,062,741 of the \$4,196,840 on reserve for the purpose of funding a portion of the project to renovate Fire Station #14.

**Budget:**

In summary, the requested release of reserved funds in the total amount of \$1,546,000 would be used as follows:

Construction Contract:	\$1,288,000
Construction Contingency:	164,700
Construction Management:	<u>93,300</u>
Total	\$1,546,000

Attachment I to this report provides a breakdown of the construction contract costs and the details of the construction management costs. Construction management would be performed in-house by DPW's Bureau of Construction Management.

**Comments:**

1. Mr. Peter Wong of the DPW Bureau of Architecture states that the Department selected MLS Construction Company as the lowest responsive and responsible bidder on the project.<sup>1</sup> A listing of the firms that responded to DPW's Invitation for Bids is shown in Attachment II to this report, including the amounts bid.
2. Mr. Wong advises that the construction contingency amount of \$164,700, which is 12.8 percent of the construction

---

<sup>1</sup> MLS Construction Company's bid of \$1,288,000 was the lowest, based on the Company's 10 percent preference.

contract of \$1,288,000, is required due to the potential need for additional seismic upgrade and hazardous materials work, which cannot be determined until construction commences.

3. Mr. Wong further advises that the construction work is scheduled to commence in March of 1998 and is expected to be completed by December of 1998.

**Recommendations:** Approve the release of reserve funds in the amounts of \$483,259 (File 98-46) and \$1,062,741 (File 98-47), for a total of \$1,546,000.

City and County of San Francisco  
Department of Public Works  
**TABULATION OF BIDS**

SPEC NO.:

5436A

TITLE

SFFD Station No. 14 Renovation  
551-26th Street

BIDS RECEIVED:

November 5, 1997

BIDDERS:

Svala Construction, Inc.  
MLS Construction Co

M H Construction Management Co.  
Chiang C M Construction Co., Inc.  
C H General Contractors  
Kin Wo Construction, Inc

LBE  
MBE/LBE  
MBE/LBE  
MBE/LBE  
MBE/WBE

Base Bid  
1,280,060  
1,288,000  
1,342,000  
1,344,803  
1,447,600  
1,458,920

Alt #1

(17,000)  
(9,000)  
(20,000)  
(13,771)  
(13,000)  
(6,200)

Total

1,263,060  
1,279,000  
1,322,000  
1,331,032  
1,434,600  
1,450,720

Average Bid:

1,359,897

Architect's Estimate:

1,160,000

% of Architect's Estimate:

17% 85% 1.9%

Immediately prior to bid opening, it was announced that the Construction Budget is \$1,180,000.00.

Svala Construction, Inc.  
842 Folsom Street  
San Francisco, CA 94107  
Tel (415) 512-8780

SUBCONTRACTORS:

Lis Electric 229,000  
Black Sea 79,800  
Precious 52,700  
Gabriel Heating 35,000  
Standard 81,000  
Giant Wall 17,500  
Lewis & Nadeil 10,000  
Aczel Plumb 41,000  
City Lumber 60,000

United Calif  
Kamaoohk Paint  
OWA Steel  
Joe Wang  
Words  
Acoulife  
Nector Drywall  
Peer Light  
Elec. Supp

Windows  
Painting  
Steel  
Flooring  
Toilet Supp  
Tank  
Drywall  
Elec. Supp

45,000  
31,000  
44,800  
38,500  
3,693  
78,500  
42,000  
86,000

cc:

Peter Wong  
Mark Primeau  
Veronica Ng  
Harlan Kelly  
Don Eng  
Joe Cheung

DPW Accounting  
Maurice Williams  
Bill Webb

Helen Liu  
All bidders with toolings

SL st 11/05/97

Post-It Fax Note 7671

Date 11/6	to	from
7671	6	Contract
To Peter Wong	Co	
Co/Dapt	Phone	
Phone	Fax	
Fax 557-4761		

Job No.: 5436A  
 SFFD STATION 14 RENOVATION  
 CONSTRUCTION CONTRACT / CONSTRUCTION MANAGEMENT COST BREAKDOWN

Item 1. CONSTRUCTION CONTRACT(BASE BID)

Prime Contractor MBE (57.37% of Base Bid)

MLS Construction. Co., General Contractor	\$738,950
---	-----------

Subcontractors MBE (38.39% of Base Bid)

Chen's Plumbing	78,000	
Yum's Mechanical	160,000	
E & H Electrical	194,350	
Sun East (Flooring)	32,500	
101 Roofing	<u>27,000</u>	
		491,850

Subcontractors WBE (4.44% of Base Bid)

Doherty Painting	37,200	
Golden Gate (Glazing)	<u>20,000</u>	
		57,200

Subtotal (Item 1):-Base bid construction contract:	1,288,000
--	-----------

Item 2. CONSTRUCTION CONTINGENCY	164,700
----------------------------------	---------

Item 3. CONSTRUCTION MANAGEMENT COST

Inspection	\$56,000
Adm. Support	14,000
Prevailing Wages Check	4,000
Public Affairs	10,000
Special Inspection	9,300 -

93,300

Subtotal (Items 1 and 2):

258,000

Total ( Items 1,2,and 3):

**\$1,646,000**

Funding Source:

1. 3rd Bond Sale Appropriation - Reserve	483,259
--	---------

2. FEMA Hazard Mitigation Grant - Reserve	<u>1,062,741</u>
---	------------------

Total:

**\$1,546,000**

**Total Request**

**\$1,646,000**





Items 2 - File 68-97-9

**Departments:** Mayor's Office  
Mayor's Criminal Justice Council

**Items:** Resolution authorizing the Mayor to apply for, accept and expend a grant in the amount of \$2,796,944 from the U.S. Department of Justice to administer the Local Law Enforcement Block Grant Program, and waiving indirect costs.

**Amount:** \$2,796,944

**Grant Period:** October 1, 1997 to September 30, 1999 (two years)

**Source of Funds:** U.S. Department of Justice Local Law Enforcement Block Grant Program

**Description:** The U.S. Department of Justice Local Law Enforcement Block Grant Program provides local governments with funds to underwrite projects to reduce crime and improve public safety. The Block Grant application identifies several Federal "purpose areas" for which local governments can use Local Law Enforcement Block Grant funds. According to Mr. Keith Choy of the Mayor's Criminal Justice Council (MCJC), the MCJC applied for grant funds in August of 1997 and was awarded \$2,796,944 in September of 1997.

According to Mr. Choy, the MCJC has identified the following five areas in which to use the funds: (1) enhancing security measures in and around schools, (2) supporting overtime for law enforcement officers, (3) community crime prevention, (4) the expansion and development of Drug Courts, and (5) the enhancement of adjudication for violent offenders.

**Budget:** Attachment I, provided by the MCJC, contains the budget details and description of each of the five areas to be funded by the Block Grant. The following summarizes Attachment I:

Memo to Finance Committee  
January 28, 1998 Finance Committee Meeting

<u>Purpose Area</u>	<u>Cost for Two Years</u>
Enhancing School Security	\$680,244
Overtime for Law Enforcement*	300,000
Community Crime Prevention	743,700
Supporting Drug Courts	923,000
Adjudication for Violent Offenders	<u>150,000</u>
Total Cost All Purpose Areas	\$2,796,944

\* See Comment No. 1.

**Required Match:** \$310,772 (See Comment No.4)

**Comments:** 1. According to Mr. Choy, Overtime for Law Enforcement will be required by the School Resource Officer Program, which is a program designed to improve relations between youth and police by putting Police Officers in schools to talk with students and administrators. In the School Resource Officer Program, one officer each will be assigned to 16 San Francisco middle schools during the two-nine month school years of the two year term of the grant. The participating officers will be chosen from the full time ranks assigned to district stations, so the Program will be staffed by 16 officers on overtime, at a rate of \$38.60 per hour, to spend 10 hours each per week, or 40 hours per month, for the nine month school calendar per year, for a total of \$222,336 per school year or \$444,672 for the two year term of grant.

As described in Attachment II, provided by MCJC, the 16 overtime officers will be supervised by two Sergeants and one Lieutenant. The overtime cost of supervision for the two year term of the grant will be \$82,958. The total cost of the School Resource Officer Program for the term of the grant will be \$527,630 (\$444,672 for the officers and \$82,958 for the supervisors). The Program will be funded by the subject Local Law Enforcement Block Grant for two years at \$150,000 each year for a total of \$300,000, with the remaining \$227,630 (\$527,630 less this request of \$300,000) coming from Matching Funds provided by State AB 3229 Citizens Option for Public Safety.

2. As described in Attachment II, provided by the MCJC, the officers chosen to participate in the School Resource Officer Program are currently assigned to district stations on non-school hour shifts. If district stations were to assign officers

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

on their day shift during school hours, that would reduce the number of officers on the streets for neighborhood public protection during those hours. MCJC staff report that Federal legislation encourages the use of federally supported overtime to improve law enforcement and crime prevention.

3. According to Mr. Choy, the time between the notification of available funds on July 1, 1997 and the application deadline of August 9, 1997 was such that the MCJC did not have enough time to seek approval from the Board of Supervisors to apply for the Block Grant. Therefore, the proposed resolution should be amended to provide for retroactivity.

4. Mr. Choy advises that the required match in the amount of \$310,772 will be funded from the following sources:

<u>Source</u>	<u>Amount for Two Years</u>
Neighborhood Crime Prevention Program (Proposition Q)	\$800,000
State AB90 Juvenile Justice Funds	500,000
State SB90 Mental Health Funds	400,000
State AB3229 Citizen Option for Public Safety	240,830
Asset Seizure Forfeiture Funds	<u>17,149</u>
Total	\$1,957,979

Proposition Q, approved in November of 1994, provides for a set aside of up to \$900,000 per year in General Fund revenues for three years to fund neighborhood crime prevention programs.

5. Mr. Choy reports that over the two year grant period, the MCJC, in providing \$1,957,979 in matching funds as noted above, will be providing \$1,647,207 in excess of the required \$310,772 match. According to Mr. Choy, the MCJC is making excess matching funds available in order to enhance current local public safety activities.

6. According to Mr. Choy, the grantor does not allow for the inclusion of indirect costs.

7. As described in Attachment I, provided by MCJC, the grant would fund 11 new FTE positions plus four youth interns. The new positions will be Limited Tenure positions and will be terminated when the two year Block Grant

Memo to Finance Committee  
January 28, 1998 Finance Committee Meeting

expires unless funds are extended. The total personnel costs supported by the grant for all five purpose areas, including 11 FTEs at \$691,449 and four interns at \$16,000, is \$707,449.

8. The MCJC has prepared a Disability Access Checklist, which is on file with the Clerk of the Board's Office.

9. Attachment III is MCJC's Grant Application Information Form.

- Recommendation:**
1. In accordance with Comment No. 3, amend the proposed resolution to provide for retroactive action.
  2. Approve the proposed resolution as amended.

**PROJECT AND PROGRAM SUMMARY BUDGET  
LOCAL LAW ENFORCEMENT BLOCK GRANT PROGRAM TWO 1997-99  
CITY AND COUNTY OF SAN FRANCISCO: MAYOR'S CRIMINAL JUSTICE COUNCIL**

Federal Program Area: Enhancing security measures in and around schools and in and around other locations that the local government considers a special risk for incidents of crime.

Activity/Expense/Contract	Personnel Position	Year One	Year Two	Total
To develop a coordinated security, prevention, and support services for designated safe public places, streets, and residential corridors.		\$340,122	\$340,122	\$680,244
Will support project costs and serve as a match for State Board of Corrections Grant Award to San Francisco's Juvenile Justice Action Plan. Funds target these three projects, Safe Haven in the Bayview, Safe Corridor in the Mission, and charter school-Life Learning Day Treatment Center				
Contract with Delancey Street Foundation.				
Federal Program Area Sub-total		\$340,122	\$340,122	
Federal Program Area Total				\$680,244

**PROJECT AND PROGRAM SUMMARY BUDGET  
LOCAL LAW ENFORCEMENT BLOCK GRANT PROGRAM TWO 1997-99  
CITY AND COUNTY OF SAN FRANCISCO: MAYOR'S CRIMINAL JUSTICE COUNCIL**

**Federal Program Area: Law Enforcement support: overtime for law enforcement officers to improve basic law enforcement functions.**

Activity/Expense/Contract	Personnel Position	Year One \$150,000	Year Two \$150,000	Total \$300,000
The Police Department will enhance its School Resource Officer Program.				
Federal Program Area Sub-total				
Federal Program Area Total				\$300,000



**PROJECT AND PROGRAM SUMMARY BUDGET**  
**LOCAL LAW ENFORCEMENT BLOCK GRANT PROGRAM TWO 1997-99**  
**CITY AND COUNTY OF SAN FRANCISCO: MAYOR'S CRIMINAL JUSTICE COUNCIL**

**Federal Program Area: Community Crime Prevention:** Establishing crime prevention programs involving the cooperation between community residents and law enforcement personnel. San Francisco will strengthen local crime prevention efforts in every neighborhood, and increase juvenile delinquency prevention services

Activity/Expense/Contract	Personnel Position	Year One	Year Two	Total
Neighborhood Crime Prevention Program- build community support of community policing and problem solving, create prevention programs, and do neighborhood watch education. Contracts with two community safety collaboratives: SF SAFE and Japanese Community Youth Council			\$200,000	\$200,000
Youth Violence, Safety and Public Housing and Delinquency Prevention Contracts awarded to community organizations through RFP process through MCIC			\$214,700	\$214,700
Crisis Hotline and mental health response team- Contract with Westside Community Mental Health Center			\$100,000	\$100,000

**PROJECT AND PROGRAM SUMMARY BUDGET**  
**LOCAL LAW ENFORCEMENT BLOCK GRANT PROGRAM TWO 1997-99**  
**CITY AND COUNTY OF SAN FRANCISCO: MAYOR'S CRIMINAL JUSTICE COUNCIL**

**Federal Program Area: Community Crime Prevention:** Establishing crime prevention programs involving the cooperation between community residents and law enforcement personnel. San Francisco will strengthen local crime prevention efforts in every neighborhood, and increase juvenile delinquency prevention services

Violence Prevention Coordination in Public Defender's Office	8446 Court Alternative Specialist-Public Defender	\$50,000	\$50,000	
Contracts with Pre-Trial Diversion Project to provide educational supplies and educational services to participants in Mentor Court	\$25,000	\$25,000	\$50,000	
Contracts with three community organizations in OMI-Neighbors in Action, Ingleside Community Center, and Inner City Youth for match of State Operation Revitalization	\$71,000		\$71,000	
	1368-Special Assistant- Grants Administrator-MCJC	\$58,000	\$58,000	
Federal Program Area Sub- total	\$246,000	\$497,700		
Federal Program Area Total			\$743,700	

**PROJECT AND PROGRAM SUMMARY BUDGET  
LOCAL LAW ENFORCEMENT BLOCK GRANT PROGRAM TWO 1997-99  
CITY AND COUNTY OF SAN FRANCISCO: MAYOR'S CRIMINAL JUSTICE COUNCIL**

**Federal Program Area: Supporting Drug Courts** reaching offenders with substance abuse problems, who are not violent offenders, and offering treatment, aftercare, supervision, and possible prosecution, confinement, or incarceration because of non-compliance with the program or failure to make progress in treatment.

Activity/Expense/Contract	Personnel Position	Year One	Year Two	Total
Adult Drug Court-expand court to 250 annual clients				
	0291-Deputy Clerk-Municipal Ct-Drug Court Coordinator		\$60,000(Salary +benefits)	\$60,000
	1426-Clerk-Adult Probation		\$43,351	\$43,351
	8146-Investigatior, District Attorney		\$56,573 ( \$50,000 from block grant)	\$56,573(\$50,000 from block grant)
	8174-Civil Attorney, Public Defender		\$73,000	\$73,000
	8304-Deputy Sheriff( Two)		\$115,607	\$115,607
	Q-50-Police Sergeant		\$78,000 (\$64,800 from grant)	\$78,000(\$64,800 from grant)
	8442-Senior Adult Probation Officer		\$62,342	\$62,342
Contract with Haight Ashbury Clinics for Treatment Services			\$303,900	\$303,900
Juvenile Drug Court-Superior Court-will issue community contracts to in application process with community treatment providers		\$150,000		\$150,000
Federal Program Area Sub-total		\$150,000	\$773,000	
Federal Program Area Total			\$923,000	\$923,000

**PROJECT AND PROGRAM SUMMARY BUDGET**  
**LOCAL LAW ENFORCEMENT BLOCK GRANT PROGRAM TWO 1997-99**  
**CITY AND COUNTY OF SAN FRANCISCO: MAYOR'S CRIMINAL JUSTICE COUNCIL**

**Federal Program Area: Enhancing the adjudication of cases involving violent offenders, both adult and juvenile.**

Activity/Expense/Contract	Personnel Position	Year One	Year Two	Total
For prosecution of violent juvenile offenders	One 8178 Senior District Attorney Position		\$100,000- Federal Share \$10,576-DA Local Match  [Senior Attorney Salary @ \$76,891 with benefits @ \$17,685 to total \$94,576, Youth Interns(\$5/hr. x 20 hrs./week x 40 weeks x 4) to total \$16,000]	\$100,000
Improve capacity of Public Defender to handle increased felony caseload Computers purchase		\$50,000		\$50,000
Federal Program Area Sub-total		\$50,000	\$100,000	
Federal Program Area Total				\$150,000

## Questions about Police School Resource Program and Overtime Costs:

The School Resource Officer Program will provide police officers in 16 San Francisco middle schools: (Use of Federal Local Law Enforcement Block Grant and Overtime Federal Priority Area)

Officers are screened for their involvement with the neighborhood, their commitment to youth and improving relations between youth and the police. The Federal legislation encourages the use of federally supported overtime to improve law enforcement and crime prevention

One officer for 10 hours per week costs @ \$386.00. These officers serve on non-school hour shifts in the Police Department. If district stations were to assign officers on their day shift during the school hours, that would reduce the amount of officers on the streets for neighborhood public protection during those hours..

- Cost per month to provide one officer for each of the sixteen SF Middle Schools.. (16 Officers @\$38.60 x 40 hours \$24,704.00 per month.
- Costs for School Resource Officer Program (Q-2 Salaries) based on a nine month school calendar for 1997-98 \$222,336
- ~~\$222,977 Per year x Two years=\$444,672.~~

Program Will be supervised by the Juvenile Division (Youth Programs Division) of the Police Dept. with overtime expenses for two Sergeants and a Lieutenant.

- Two Sergeants @ \$44.81 x 40 hours per month = \$3,584.80
- One Lieutenant position to approve and monitor all programs, data, and statistical information and supervise the School Resource Program:
- One Lt. @ \$51.20 x 20 hours per month \$1024.00

Costs for School Resource Officer Supervision for 1997-98 nine month calendar \$41,479.00

**\$41,479 x two school years = \$82,958**

Program will be funded for two years with:

- Local Law Enforcement Block Grant 2yrs x \$150,000= \$300,000
- Matching funds from State 3229 Citizens Option for Public Safety- \$227,630

**Total Program Costs for two years: \$527,630**

Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: MAYOR'S CRIMINAL JUSTICE COUNCIL

Contact Person: KIMIKO BURTON Telephone: 554-6564

Project Title: LOCAL LAW ENFORCEMENT BLOCK GRANT

Grant Source: U.S. DEPARTMENT OF JUSTICE, BUREAU OF JUSTICE ASSISTANCE

Proposed (New / Continuation) Grant Project Summary:

The Local Law Enforcement Block Grant Program is a federal initiative to improve public safety and reduce crime in the local community. The Local Law Enforcement Block Grant Program is authorized by the Omnibus Fiscal Year 1997 Appropriations Act Public Law 104-134 for the purpose of providing local governments with funds to underwrite projects to reduce crime and improve public safety. The Program and Budget Period is from 10/1/97 to 9/30/99.

San Francisco's application identified five of the seven Federal Purpose Areas to expend grant funds:

- Paying overtime to presently employed law enforcement officers to increase the number of hours worked.
- Expanding and supporting Drug Courts for adults and juveniles.
- Establishing and supporting community based crime prevention programs.
- Enhancing violent adjudication of violent juvenile offenders.
- Enhancing security measures in and around schools and in and around other locations that the local government considers a special risk for incidents of crime.

Amount of Grant Funding Applied for: \$2,796,944

Maximum Funding Amount Available: N/A

Required Matching Funds: \$310,772.00

Number of Positions Created and Funded: 11

Amount to be Spent on Contractual Services: \$1,769,844.00

Will Contractual Services be put out to Bid? Most contracts depends on category.



Period of Grant: 10/1/97-9/30/99

Department Notified of Available funds: 7/1/97

Application Due Date: 8/9/97

Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

GRANT FUNDING GUIDELINES AND OPTIONS

This was a non-competitive block grant. Local counties and cities were awarded direct grants with funding determined by population and demographic data and an analysis of crime statistics.

To obligate the funds, the City and County were required to:

Through the Mayor, identify and recommend expenses in up to seven Federal law enforcement enforcement purpose area.

Constitute an advisory board of law enforcement agencies and community to submit non-binding recommendations to the Mayor. (Admin. Code has already set up the Mayor's Criminal Justice Council since 1978.)

Hold one public hearing discussing the Local Law Enforcement Block Grant. (This requirement will be met through the Board of Supervisors hearing of the grant acceptance at the

Set up an interest bearing trust fund account through the Controller's Office.

To identify a cash match of \$310,772 for the entire block grant.

No funds shall be used to supplant state or local funds.

Kimiko Burton

Department Head Approval  
KIMIKO BURTON, DIRECTOR, MAYOR'S CRIMINAL JUSTICE COUNCIL



Item 3 - File 97-97-67

- Note:** This item was continued by the Finance Committee at its meeting of January 14, 1998.
- Item:** Ordinance amending Sections 3.20 of the Administrative Code to add the City Administrator as a member of the Capital Improvement Advisory Committee (CIAC) and to provide that the Chair of the CIAC appoint two individuals as members of the CIAC.
- Description:** The proposed legislation would amend Sections 3.20 of the Administrative Code, as follows:
- Section 3.20 Capital Improvement Advisory Committee.
- Section 3.20 currently provides that the Mayor's Finance Director, as Chair of the CIAC, choose two department heads to serve on the CIAC for two-year terms. The proposed legislation provides that the Mayor's Finance Director, as Chair of the CIAC, choose any two individuals to serve on the CIAC for two year terms.
  - The proposed legislation adds a provision to Section 3.20 which defines the membership of the CIAC to include the City Administrator.
- Comments:** Mr. Neal Taniguchi of the Department of Administrative Services reports that the proposed amendments were recommended by the Mayor's Office of Finance and Legislative Affairs to further clarify the membership of the Capital Improvement Advisory Committee and to define the role of the City Administrator in relation to the CIAC.
- Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 4 - File 97-97-52

**Department:** Purchasing Department

**Item:** Ordinance amending Section 6.01 of the City's Administrative Code to authorize the Director of Purchasing to dispose of surplus goods by donation for reuse or recycling.

**Description:** Section 6.01 of the Administrative Code currently authorizes the Purchaser to dispose of the City's surplus goods, including materials, supplies, and equipment, through exchange<sup>1</sup> or sale, based on recommendations of department heads that such goods are surplus to the needs of the City.

The proposed ordinance would amend Section 6.01 to authorize the Purchaser to dispose of surplus goods "in a manner which will best serve the interests of the City." The proposed ordinance further defines the "interests of the City" to include (1) the ability to maximize the City's economic return on surplus goods; (2) the City's interest in maximizing the reuse of surplus goods by public entities, schools and non-profit organizations; and (3) the City's interest in avoiding any unnecessary additions to the waste stream by maximizing the reuse and recycling of surplus goods. The proposed ordinance provides that the Purchaser shall maintain lists of all known local organizations with which the City could contact for the disposal of the City's surplus goods.

The proposed ordinance provides that disposal of surplus goods may be effected by the following methods:

- a. Through the exchange or public auction on the recommendation of department heads that such goods are surplus to the needs of the department.
- b. Through the exchange, sale, or donation to (1) public entities, (2) non-profit organizations, and (3) private organizations for a public purpose. In

---

<sup>1</sup> Exchange in the context of the existing and proposed legislation means the transfer of goods from the City to another entity in consideration for the transfer of other goods from that entity to the City. The Purchaser reports that to the best of his knowledge, the City has not engaged in any exchange of surplus goods.

addition, donations to private entities for recycling purposes would be authorized.

The proposed legislation would establish an order of priority for public entities, non-profit organizations, and private organizations serving the public, for receipt of donated surplus goods. The order of priority for donations would be to entities or organizations engaged in the following activities:

a. Entities or organizations which would distribute the surplus goods at no cost or for a nominal fee to non-profit organizations, schools, or low-income persons that are physically located, in the following order of priority: (1) San Francisco, (2) the Bay Area, (3) the United States, and (4) foreign countries;

b. Entities or organizations which would recycle the surplus goods, including parts or materials.

To the extent that more than one organization in a priority category meets the criteria for receipt of donated surplus goods, such surplus goods shall be made available to those organizations on a rotational basis.

The proposed legislation provides that surplus medical supplies and equipment that are no longer in compliance with Federal Drug Administration (FDA) regulations may be donated to entities and organizations which are engaged in distributing or administering the surplus medical supplies.

The proposed ordinance provides that if there is a need to dispose of surplus goods and no entity or organization eligible for receipt of donated surplus goods can be located to accept such donations, the Purchaser is authorized to utilize other means that may be available to dispose of such surplus goods in a manner that will best serve the interests of the City, including recycling or disposal as waste.

**Comments:**

1. Mr. Edwin Lee, Director of Purchasing, states that the authority granted by the proposed ordinance would enable the Purchaser to donate surplus goods without requiring sale of such goods or disposing of such goods through recycling, for a profit. Mr. Lee states that the Purchaser would first



determine that a given item is surplus to the City's needs in that the item is no longer useful to any City department nor has any economic value to the City and that donating the item rather than recycling or disposing as waste is in the City's best interest. Donations could then be made to entities that agree to refurbish surplus goods to a useful condition and either distribute those goods or keep the goods themselves, consistent with the priorities set forth by the proposed ordinance. According to Mr. Lee, non-profit organizations have already begun registering to refurbish and either keep the goods themselves or redistribute such surplus goods. Primary examples of such goods include (a) older model computers no longer used by City departments but which may be used by non-profit organizations to improve the delivery of social services, and (b) furniture not considered ergonomically well-designed.

2. Currently, much of the City's surplus goods are placed in storage. The warehouse, which is used to store these goods, is a Municipal Railway (MUNI) facility, located at 949 Presidio Avenue. According to Mr. Lee, MUNI has notified the Purchaser that it will need the use of this facility within one year. At that time, the Purchaser would have to lease space to store the City's surplus goods.

3. Mr. Henny Lee of the Purchasing Department reports that in FY 1995-96, 23 percent of surplus goods processed by the Purchaser for disposal were recycled or disposed of at landfill sites. According to Mr. Lee, a goal of the proposed ordinance is to donate such surplus goods to non-profit organizations that serve the community instead of disposing of such surplus goods at landfill sites or through recycling.

4. Dr. Dwight Starr of the Department of Public Health (DPH) reports that the DPH is currently storing large amounts of medical supplies and equipment that are no longer in compliance with FDA standards, but that may be useful to low-income persons in foreign countries. According to Dr. Starr, the surplus goods that would be made available are primarily medical surgical supplies that retain their effectiveness and, although not considered dangerous, do not meet FDA standards.

Memo to Finance Committee  
January 28, 1998 Finance Committee Meeting

5. According to Ms. Jean Fraser of the City Attorney's Office, the potential liability to the City for disposing of medical supplies and equipment no longer in compliance with FDA standards is minimal.

6. The attached memorandum from the Purchaser states that the proposed legislation would have minimal impact to the City since vehicles, which represent the largest revenue source from the sale of the City's surplus goods, will continue to be sold at public auction. Further, the Purchaser has advised that no additional positions would be required to implement this proposed ordinance.

7. Ms. Christiane Hayashi of the City Attorney's Office advises that an amendment to the proposed legislation will be introduced at the Finance Committee meeting of January 28, 1998, to clarify that donations can be made to eligible entities and organizations for their own use.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

## City and County of San Francisco

## Purchasing Department

Edwin M. Lee  
Director

January 21, 1998

To : Stan Jones

From : Ara Minasian *Am*

Subject: Response to your questions on donation of surplus

This ordinance has no significant fiscal impact:

- There will be little or no impact on surplus property sales revenue. Such revenue comes predominantly from the sale of surplus City vehicles, and we will not be donating vehicles. Items that will be donated are ones that we otherwise have had to dispose of as waste, e.g., antiquated computer equipment declared surplus by City departments. This ordinance will enable us to divert such items from the waste stream.
- There also will be minimal administrative impact. This ordinance is simply adding another channel for us to dispose of surplus property that we have to get rid of anyway.

Surplus revenue typically breaks down as shown below. These figures are from FY 95-96. We haven't compiled the FY 96-97 data yet.

	Revenue	Percent
Vehicles	271,064	90%
Items and equipment	29,803	10%
Total	300,867	100%

Most of the stuff in the warehouse consists of office-related items: desks, file cabinets, bookcases, chairs, and lots of obsolete computer equipment. It is not possible for us to estimate the value of this inventory.

• Please call me if you need any more information.

c: Ed Lee, Henny Lee



Items 5 and 6 - Files 98-50 and 98-57

**Department:** Ethics Commission

**Items:** File 98-50 - Supplemental appropriation ordinance in the amount of \$82,448 from the General Fund Reserve for salaries, fringe benefits and non-personal services and for the creation of four new positions.

File 98-57 - Ordinance amending the 1997-98 Annual Salary Ordinance to reflect the creation of four new positions (File 98-57).

**Amount:** \$82,448

**Source of Funds:** General Fund Reserve of \$100,000 established by the Board of Supervisors in the FY 1997-98 Budget for the Ethics Commission

**Budget:** This budget request for the period from approximately December 15, 1997 through June 30, 1998 (6.5 months) is as follows:

Permanent Salaries	\$31,603
Fringe Benefits	6,637
Non-Personal Services	<u>44,208</u>
Total	\$82,448

**Description:** The Ethics Commission is in the process of gradually assuming the full range of duties which were mandated by the approval of (a) Proposition K in 1993, which created the Ethics Commission; (b) the Campaign Finance Reform Ordinance in 1995; (c) State Proposition 208 in 1996, which established limits on campaign contributions and expenditures; and (d) Proposition G in 1997, which requires campaign consultants to register and file quarterly reports with the Ethics Commission. These mandated duties include activities related to campaign finance disclosure and audits, lobbyist registration and reporting, the Whistleblower Program, the filing of Statements of Economic Interest, the investigation of complaints, and education and training. The assumption of these responsibilities has resulted in a gradual increase

in the workload for the existing Ethics Commission staff of 4.12 full-time equivalent (FTE) positions.

During the FY 1997-98 budget process, the Board of Supervisors established a General Fund Reserve in the amount of \$100,000 for additional staff, equipment, rental costs and other expenses for the Ethics Commission, pending the appointment of a permanent Executive Director by the Ethics Commission. In October of 1997, the Ethics Commission selected a permanent Executive Director. The proposed supplemental appropriation (File 98-50) would appropriate \$82,448, or \$17,552 less than the previously established General Fund Reserve of \$100,000.

Additionally, the proposed ordinance (File 98-57) would amend the 1997-98 Annual Salary Ordinance to reflect the creation of two permanent and two temporary positions (1.41 FTE in FY 1997-98) for the Ethics Commission, as follows:

<u>Position Title</u>	<u>No. of Positions</u>	<u>Annual Biweekly Salary</u>	<u>Annual Salary @ Step 1</u>	<u>Annual Salary @ Step 5</u>
1366 N Special Assistant VII	1	\$1,499 - \$1,818	\$39,124	\$47,450
1426 N Senior Clerk Typist	1	\$1,223 - \$1,481	31,920	38,654
1403 N Election Clerk	2*	\$1,188 - \$1,440	31,007	37,584
Total	4			

\* The Mayor's Office advises that these are limited tenure positions and would be deleted on June 30, 1998. Thus, there would be only two on-going, full-time permanent positions.

The 1366 Special Assistant VII and 1426 Senior Clerk Typist positions would be permanent, full-time positions. Of the two temporary 1403 Election Clerk positions, one would work part-time between February 15, 1998 and June 30, 1998 (0.32 FTE) and one would work full-time between March 16, 1998 and June 12, 1998 (0.25 FTE). The Mayor's Office reports that both 1403 Election Clerk positions are limited tenure positions and would be eliminated as of June 30, 1998.

The annual cost of the requested two new permanent, full-time positions would range from \$85,963 at Step 1,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



including salaries of \$71,044 and fringe benefits of \$14,919, to \$104,186 at Step 5, including salaries of \$86,104 and fringe benefits of \$18,082.

Descriptions of the proposed expenditures for the period from December 15, 1997 through June 30, 1998, are as follows:

*Permanent Salaries*

*\$31,603*

This request would provide funding for two new permanent positions for the period from approximately February 1, 1998 through June 30, 1998 (see Comment No. 1).

This \$31,603 request includes \$18,150 (\$1,650 biweekly x 11 pay periods) for one new 1366 Special Assistant VII position to serve as a Financial Disclosure Auditor. This position would be responsible for auditing the financial and informational data that the Ethics Commission is mandated to process in order to ensure that candidates, office-holders, campaign committees and lobbyists are accurately and truthfully reporting all receipts and expenditures. According to Ms. Virginia Vida, Executive Director of the Ethics Commission, the two elections during FY 1997-98 (November, 1997 and the June, 1998 election) have increased the volume of filings and necessitated increased auditing and review activity. Ms. Vida also advises that the addition of this new position would enable the Department to dedicate existing staff members who currently perform auditing activities to investigating additional Whistleblower and other ethics-related complaints, which have increased in volume during FY 1997-98. Additionally, Ms. Vida advises that this new position would enable the Ethics Commission to assume responsibility for the more sophisticated, formal audits for which the Department has relied on the assistance of the Controller's Office because the Ethics Commission has not had staff qualified to perform such audits.

This request of \$31,603 also includes \$13,453 for one new 1426 Senior Clerk Typist position (\$1,223 biweekly x 11 pay periods). This position would be responsible for (a) maintaining original files and public access copies of

approximately 3,000 filed documents, which involves data entry, photocopying and diskcopying, (b) performing administrative support functions (i.e., payroll, purchasing, etc.), and (c) providing administrative and clerical support to Ethics Commission members. Although the Ethics Commission currently has one full-time administrative position (a 1426 Senior Clerk Typist), the Department is submitting a request to the Department of Human Resources (DHR) to upgrade that position in order to reflect the actual duties being performed by the existing employee in this position. According to Ms. Vida, those duties, which include advising campaign filers on filing requirements and developing a filing format for electronic campaign filings, allow little time to perform basic administrative and clerical services. As such, the Department is requesting funding for a new permanent, full-time Senior Clerk Typist.

The proposed ordinance (File 98-57) also reflects the addition of two new 1403 Elections Clerk positions (0.57 FTE) which are needed on a temporary basis through June 30, 1998 in order to assist with a new electronic filing database and with the June, 1998 election. Although these positions will be added to the Annual Salary Ordinance (File 98-57), the funding for these two temporary positions is not included as part of this supplemental appropriation request (File 98-50) since these positions will be funded with excess salary savings in the Ethics Commission's current annual budget. The Mayor's Office advises that these two temporary, limited tenure positions would be deleted on June 30, 1998.

*Fringe Benefits*

**\$6,637**

This amount represents approximately 21 percent of the permanent salaries request of \$31,603.

*Non-Personal Services*

**\$44,208**

The proposed supplemental appropriation ordinance (File 98-50) includes \$44,208 for non-personal services, which would provide funding for additional office space for the Ethics Commission and for costs related to the new requested positions and additional space, as follows:

including salaries of \$71,044 and fringe benefits of \$14,919, to \$104,186 at Step 5, including salaries of \$86,104 and fringe benefits of \$18,082.

Descriptions of the proposed expenditures for the period from December 15, 1997 through June 30, 1998, are as follows:

*Permanent Salaries*

**\$31,603**

This request would provide funding for two new permanent positions for the period from approximately February 1, 1998 through June 30, 1998 (see Comment No. 1).

This \$31,603 request includes \$18,150 (\$1,650 biweekly x 11 pay periods) for one new 1366 Special Assistant VII position to serve as a Financial Disclosure Auditor. This position would be responsible for auditing the financial and informational data that the Ethics Commission is mandated to process in order to ensure that candidates, office-holders, campaign committees and lobbyists are accurately and truthfully reporting all receipts and expenditures. According to Ms. Virginia Vida, Executive Director of the Ethics Commission, the two elections during FY 1997-98 (November, 1997 and the June, 1998 special election) have increased the volume of filings and necessitated increased auditing and review activity. Ms. Vida also advises that the addition of this new position would enable the Department to dedicate existing staff members who currently perform auditing activities to investigating additional Whistleblower and other ethics-related complaints, which have increased in volume during FY 1997-98. Additionally, Ms. Vida advises that this new position would enable the Ethics Commission to assume responsibility for the more sophisticated, formal audits for which the Department has relied on the assistance of the Controller's Office because the Ethics Commission has not had staff qualified to perform such audits.

This request of \$31,603 also includes \$13,453 for one new 1426 Senior Clerk Typist position (\$1,223 biweekly x 11 pay periods). This position would be responsible for (a) maintaining original files and public access copies of

approximately 3,000 filed documents, which involves data entry, photocopying and diskcopying, (b) performing administrative support functions (i.e., payroll, purchasing, etc.), and (c) providing administrative and clerical support to Ethics Commission members. Although the Ethics Commission currently has one full-time administrative position (a 1426 Senior Clerk Typist), the Department is submitting a request to the Department of Human Resources (DHR) to upgrade that position in order to reflect the actual duties being performed by the existing employee in this position. According to Ms. Vida, those duties, which include advising campaign filers on filing requirements and developing a filing format for electronic campaign filings, allow little time to perform basic administrative and clerical services. As such, the Department is requesting funding for a new permanent, full-time Senior Clerk Typist.

The proposed ordinance (File 98-57) also reflects the addition of two new 1403 Elections Clerk positions (0.57 FTE) which are needed on a temporary basis through June 30, 1998 in order to assist with a new electronic filing database and with the June 1998 special election. Although these positions will be added to the Annual Salary Ordinance (File 98-57), the funding for these two temporary positions is not included as part of this supplemental appropriation request (File 98-50) since these positions will be funded with excess salary savings in the Ethics Commission's current annual budget. The Mayor's Office advises that these two temporary, limited tenure positions would be deleted on June 30, 1998.

*Fringe Benefits*

**\$6,637**

This amount represents approximately 21 percent of the permanent salaries request of \$31,603.

*Non-Personal Services*

**\$44,208**

The proposed supplemental appropriation ordinance (File 98-50) includes \$44,208 for non-personal services, which would provide funding for additional office space for the Ethics Commission and for costs related to the new requested positions and additional space, as follows:

Rent	\$9,250
Renovations to New Office Space	5,975
Moving Expenses	500
Telephone Installation	4,089
Telephone Usage	1,800
Furniture	4,805
Computer Equipment	14,889
Training for New Staff	1,000
Materials and Supplies	900
Postage	500
Copy Machine Lease	500
Total	\$44,208

The Attachment, provided by the Ethics Commission, provides a detailed explanation of this \$44,208 request for non-personal expenses.

The Ethics Commission currently occupies 963 square feet of space at 1390 Market Street, Suite 701, for a monthly rental cost of \$1.28 per square foot or \$1,237 per month (\$14,844 per year). File 64-97-22 of this report to the Finance Committee is a proposed lease amendment which would amend the existing lease to provide additional office space at 1390 Market Street, Suite 801 for the Ethics Commission. The proposed lease amendment would provide 1,003 additional square feet at a monthly rental cost of \$1.63 per square foot or \$1,630 per month (\$19,560 per year). Thus, approval of the proposed lease amendment would result in an increase in square footage of 1,003 (104 percent), from 963 square feet to 1,966 square feet, and an increase in annual rent of \$19,560 (132 percent), from \$14,844 to \$34,404 per year.

The Ethics Commission has been occupying this additional space since December 15, 1997 under a temporary month-to-month lease agreement executed by the Director of Property, at a rental cost of \$999 per month (see File 64-97-22 of this report). The proposed lease amendment would commence upon approval by the Board of Supervisors (approximately February 15, 1998). Although the proposed supplemental appropriation request (File 98-50) includes \$9,250 for additional rent, the estimated actual cost is \$9,333, which reflects (a) \$1,998 for the period from December 15, 1997 through



February 15, 1998 (two months @ \$999 per month) and (b) \$7,335 for the period from February 15, 1998 through June 30, 1998 (4.5 months @ \$1,630 per month). However, Ms. Vida advises that the excess cost of \$83 (\$9,333 less \$9,250) will be absorbed in the Ethics Commission's current annual budget.

**Comments:**

1. Ms. Vida anticipates that the requested new 1426 Senior Clerk Typist should be hired on or about February 9, 1998 and the new 1366 Special Assistant VII should be hired on or about March 2, 1998. Thus, the amount needed for permanent salaries and fringe benefits for these two positions is \$32,116 through June 30, 1998, as follows:

1426 Senior Clerk Typist (10.1 pp @ \$1,223/pp)	\$12,352
1366 Special Assistant VII (8.6 pp @ \$1,650/pp)	<u>14,190</u>
Total - Salaries	\$26,542
Fringe Benefits @ 21%	<u>5,574</u>
Total Amount Needed	\$32,116

As such, the supplemental appropriation request should be reduced by \$5,061, from \$31,603 to \$26,542, for permanent salaries, and by \$1,063, from \$6,637 to \$5,574, for fringe benefits, for a total reduction of \$6,124.

2. The proposed supplemental appropriation request for non-personal services should be reduced by \$3,713 from \$44,208 to \$40,495, to reflect the Ethics Commission's actual needs of \$2,000 for office furniture (\$2,805 less than the request of \$4,805) and \$13,981 for computer equipment (\$908 less than the request of \$14,889).

3. As expenditures have been incurred for rental expenses for the proposed lease amendment (Item 6, File 64-97-22) since December 15, 1997, the proposed supplemental appropriation ordinance (File 98-50) should be amended to provide for retroactivity.

4. The proposed ordinance (File 98-57) should be amended to reflect that the two new requested temporary 1403 Election Clerk positions (0.57 FTE) are limited tenure positions ("L") which will be deleted as of June 30, 1998.



- Recommendations:**
1. Amend the proposed supplemental appropriation ordinance by reducing the amount by \$9,837, from \$82,448 to \$72,611, consisting of \$5,061 for permanent salaries (from \$31,603 to \$26,542), \$1,063 for fringe benefits (from \$6,637 to \$5,574) and \$3,713 for non-personal services (from \$44,208 to \$40,495), in accordance with Comments No. 1 and 2 above.
  2. Amend the proposed supplemental appropriation ordinance (File 98-50) to provide for retroactivity, in accordance with Comment No. 3 above.
  3. Amend the proposed ordinance (File 98-57) to reflect that the two new 1403 Election Clerk positions (0.57 FTE) are limited tenure ("L") positions, in accordance with Comment No. 4 above.
  4. Approve the proposed ordinances, as amended.

## NON-PERSONAL SERVICES

The Commission requests the amount of \$44,208 for costs associated with a move to larger premises. The addition of two permanent staff members and part-time temporary staff will require larger office space and equipment. Included in the request for \$44,208 are the following items:

*Rent of additional 1,000 sq. ft. of office space at  
1390 Market St., Suite 801, for six months @ \$18.50 per sq. ft.* **\$9,250**

The Commission currently occupies 1,000 sq. ft. at Fox Plaza, Suite 701, and pays \$15.41 per sq. ft. or a monthly rent of \$1,237. As of 1/1/98 it will pay \$1,334.20 with escalation fees of \$97.20/month. (See enclosed escalation letters.) In its present cramped quarters, there is very little space available to house public files and for the public to review documents. The Commission also has no room to accommodate additional staff, student interns and volunteers.

The Commission staff has consulted with the Department of Real Estate, which has identified an additional 1,000 feet of office space at 1390 Market St. (Fox Plaza), the current location of the Commission, at \$18.50 per sq. foot. The enclosed budget reflects the Commission's plans to expand to the new space, Suite 801, which is located directly above the Commission's present office. (The Commission proposes to continue to occupy Suite 701 and expand to Suite 801.)

*Renovations.* **\$5,975**

This will include construction and painting of walls and a door to enclose one office, moving a ceiling vent, installation of a half-door for reception purposes, and removal of shelving. See enclosed bid from Fox Plaza.

*Movers* **\$500**

*Telephone: hook-ups for additional phone lines, phone equipment  
and increased monthly charges.* **\$4,089**

This item includes \$4,089 for installation of additional phone lines and the cost of telephone equipment. (See enclosed estimate.)

***Telephone usage for six-month period***

**\$1,800**

The \$1,800 figure is based on additional monthly charges of \$300 per month. This includes the additional \$125 per month for the designated router line to be installed for the campaign finance electronic filing project.

***Furniture:***

**\$4,805**

(\$3,100 expendable if necessary. We will need at least \$2,000.)

This item includes:

2 desks at \$600 each = **\$1,200**

2 sets of file cabinets at \$240 each = **\$480**

2 computer stations at \$200 each for the additional staff positions of Auditor and Senior Clerk Typist. = **\$400**

2 chairs at \$200 each = **\$400**

The furniture request also includes 3 office dividers and anchoring equipment as follows:

2 6ft high x 8ft wide divider "walls" at \$500 each = **\$1,000**

3 6 ft high x 4ft wide divider "walls" at \$375 each = **\$1,125**

Anchoring equipment ("feet," etc) = **\$200**

***Computers, software and network wiring***

**\$14,889**

This includes installation of wiring connecting Suite 801 with 701 (on two floors). See enclosed bid from DTIS. It also includes 4 new computers, applicable software, and a hub for connecting the office network. The Commission is requesting 4 new computers-- 2 for new staff, and 2 to replace older computers.

***Staff Training***

**\$1,000**

This includes sending the new Campaign Finance Auditor for a two-week political audit training at the Los Angeles Ethics Commission and/or the Franchise Tax Board in Sacramento. It also includes sending staff to Sacramento for possible one-day filing officer workshops re: implementation of Proposition 208.

***Supplies***

**\$900**

Additional office supplies will be needed with the addition of new staff in Suite 801. This will include copy paper, additional envelopes, file folders, etc.

***Postage***

**\$500**

Additional postage is budgeted to cover mailings generated by additional staff, especially in view of the Auditor's activities.

***Photocopy machine use***

***\$500***

The Commission will lease a second photocopy machine for installation in Suite 801.

s:\msoffice\winword\bgt97\8supbud.doc

Item 7 - File 64-97-22

**Department:** Ethics Commission (Commission)  
Department of Real Estate (DRE)

**Item:** Resolution authorizing an amendment to an existing lease to include Suite 801, 1390 Market Street (Fox Plaza) for additional office space for the Ethics Commission.

**Location:** Suite 801, 1390 Market Street (Fox Plaza)

**Purpose of Lease:** To permit the Ethics Commission to lease Suite 801 of the Fox Plaza for an additional 1,003 square feet of office space.

**Lessor:** CALFOX, Inc., Managing Agent for Owner

**Lessee:** City and County of San Francisco

**No. of Sq. Ft. and Cost Per Month:** 1,003 square feet @ approximately \$1.63 per square foot per month, for a total of \$1,630 per month.

**Annual Cost:** \$19,560

**Increase over Prior Lease:** The existing lease for Suite 701 at 1390 Market Street provides approximately 963 square feet at approximately \$1.28 per square foot, or \$1,237 per month (\$14,844 annually). The proposed lease amendment would result in an increase in square footage of 1,003 (104 percent), from 963 square feet to 1,966 square feet, and an increase in annual rent of \$19,560 (132 percent), from \$14,844 to \$34,404 per year.

**Term of Lease:** The proposed lease amendment would commence upon approval by the Board of Supervisors and the Mayor (approximately February 15, 1998) and would expire on November 30, 2000 (approximately 33.5 months). The Ethics Commission has been leasing the proposed space on a month-to-month basis since December 15, 1997 under a temporary lease agreement executed by the Director of Property. The temporary lease will expire when the proposed lease amendment is approved (see Comment No. 2).

**Utilities and  
Janitorial**

**Services:** All costs for utilities and janitorial services would be the responsibility of the lessor.

**Right of Renewal:** One three year option to renew at fair market rent, as agreed to by the City.

**Source of Funds:** General Fund (see File 98-50 of this report to the Finance Committee and also see Comment No. 3)

**Description:** In October of 1995, the Board of Supervisors approved a resolution authorizing the Ethics Commission to enter into a five year lease for office space at Suite 701, 1390 Market Street which expires on November 30, 2000 (File 64-95-10). According to Ms. Virginia Vida of the Ethics Commission, at the time the original lease was signed, Suite 701 provided 963 square feet of office space for four permanent employees and space for the public to: review public files, access a terminal for internet services and databases, and photocopy documents. Excluding the public space of 400 square feet, the site provided an average of approximately 141 square feet per employee for four employees.

According to Ms. Vida, in anticipation of increased staff and public files, on December 15, 1997, the Director of Property authorized the Ethics Commission to enter into a month-to-month lease for Suite 801 at \$999 per month or \$1.00 less than the \$1000 per month threshold for leases requiring Board of Supervisor's approval. (see Comment No. 2). Ms. Vida advises that the Ethics Commission entered into the month-to-month lease pending Board of Supervisors' approval of a supplemental appropriation (see File 98-50 of this report to the Finance Committee), which includes a request for four new positions, equipment and funds related to the proposed subject lease amendment.

The proposed lease amendment would authorize the Ethics Commission to amend their existing lease at 1390 Market Street to add Suite 801 for an additional 1,003 square feet of office space. Ms. Vida advises that additional office space is necessitated by: (a) the request under File 98-50 of this report to the Finance Committee, for two permanent and two temporary positions; (b) the anticipated hiring of two to three



volunteer student interns in March of 1998; and (c) additional space needed for file cabinets to maintain quarterly financial reports submitted by campaign consultants, as required by the approval of Proposition G in November of 1997, which requires campaign consultants to register and file quarterly reports with the Ethics Commission.

If the supplemental appropriation request (File 98-50) for four new positions as noted above is approved, the proposed lease amendment would provide the Ethics Commission with a total of 1,566 square feet, excluding 400 square feet for public space, resulting in approximately 142 square feet per employee for up to 11 employees which includes four existing employees, the four pending requested positions and up to three interns. Upon the deletion of the two requested limited tenure positions (included in File 98-50) on June 30, 1998, the proposed lease amendment would provide 174 square feet per employee for up to 9 positions.

**Comments:**

1. Mr. Steve Legnitto of the Department of Real Estate reports that the monthly rental cost of approximately \$1.63 per square foot (\$1,630 per month) for the proposed lease amendment represents fair market value.

2. According to Mr. Legnitto, Chapter 23, Article III, Section 23.19 of the Administrative Code authorizes the Director of Property to execute month-to-month leases of less than \$1,000 per month. As such, on December 15, 1997, the Director of Property executed a month-to-month agreement on behalf of the City to lease Suite 801 at 1390 Market Street for the Ethics Commission for total monthly rental costs of \$999 pending approval of the subject lease amendment. According to Mr. Legnitto, if the Board of Supervisors disapproves the subject proposed lease, the Director of Property will terminate the existing month-to-month lease.

4. According to Ms. Vida, the Ethics Commission entered into a month-to-month lease agreement authorized by the Director of Property on December 15, 1997, in order to secure the space. The Budget Analyst is recommending approval of the proposed supplemental appropriation request and the requested new positions (File 98-50). However, given that the Ethics Commission entered into a temporary lease agreement when neither the new positions nor the funds for

Memo to Finance Committee  
January 28, 1998 Finance Committee Meeting

the lease agreement had yet been approved by the Board of Supervisors, we consider approval of the proposed lease amendment to be a policy decision for the Board of Supervisors.

**Recommendation:** Approval of the proposed resolution is a policy decision for the Board of Supervisors.

Item 8 - File 98-52

**Department:** Port Commission  
Department of Public Works (DPW)

**Item:** Supplemental appropriation ordinance in the amount of \$2,000,000 to fund the Marginal Wharf Repair Project at Piers 1½, 3, and 5 to accommodate the new promenade for the Mid Embarcadero Roadway Project.

**Amount:** \$2,000,000

**Source of Funds:** San Francisco Harbor Operating Fund

**Description:** As part of the Mid Embarcadero Roadway Project, sidewalks along the Embarcadero must be rebuilt to sustain the heavier weight requirements of the new Embarcadero Roadway. The DPW retained GKO Engineering Consultants to survey the condition of the sidewalks along the marginal wharf<sup>1</sup>. GKO's survey found the existing marginal wharves at Pier 1½, Pier 3, and Pier 5 are in a state of disrepair such that these piers are unable to support new, heavier sidewalks. GKO's report recommended that the marginal wharves at Piers 1½, 3, and 5 be repaired up to the first bent (the first row of pilings). This repair is needed to strengthen the substructure of the bulkhead buildings<sup>2</sup> and to accommodate the new sidewalk paving for the Mid Embarcadero Roadway Project.

Piers 1½, 3, and 5 were constructed between 1916 and 1919. The marginal wharves consist of reinforced concrete beams and decking supported by reinforced concrete piles. Tidal action and salt water have caused the concrete on the wharves' decking and beams to deteriorate. The beam deterioration exposes the reinforced steel, resulting in significant loss of structural strength needed to support the bulkhead buildings. The Marginal Wharf Repair Project (Project) will repair the deteriorated structures and allow the sidewalks to be rebuilt from Pier 1½ to Pier 5.

---

<sup>1</sup> Marginal wharf refers to the structural transition between the roadway and the wharf. It consists of beams that extend under the roadway and out onto the wharf which are supported by reinforced concrete piles.

<sup>2</sup> A bulkhead building is one which is built on top of the marginal wharf.

The repair process requires extensive temporary shoring to prevent collapse of bulkhead buildings during construction. The process of shoring requires that holes be drilled through the bulkhead buildings sides in order to allow for placement of the support beams that will hold up the buildings while the marginal wharves, which serves as foundations for the bulkhead buildings, are rebuilt. When the work is complete, holes will be filled, and interior and exterior walls will have to be refinished. According to Mr. Alex Lee of the Port, Port and DPW staff, together with a shoring consultant, Sheedy & Co., estimated the cost of shoring to be \$20,000 per column. Based on the existence of 60 columns, the total estimated cost for shoring is \$1,200,000.

**Budget:**

The total estimated cost of the Marginal Wharf Repair Project is \$3.5 million, as follows:

Repair of the beams and decking	\$1,500,000
Shoring (60 columns @ \$20,000 each)	1,200,000*
Tenant relocation**	225,000*
Architectural finishes***	<u>575,000*</u>
Total Cost	\$3,500,000

\* Subject of this request (\$1,200,000 plus \$225,000 plus \$575,000 equals \$2,000,000).

\*\* Preliminary estimated cost of tenant relocation ranges from \$150,000 to \$225,000.

\*\*\*Architectural finishes is the term given to the repair of interior and exterior walls in bulkhead buildings which were drilled to make way for the supports used in the shoring process.

DPW's Mid Embarcadero Roadway Project will fund the repair of the beams and decking, estimated to cost \$1.5 million, to be funded from previously allocated State Flexible Congestion Relief funds. The Port is requesting the subject supplemental appropriation of \$2,000,000 from Port Operating Funds to pay for the shoring, the tenant relocation, and the architectural finishes required after the shoring.

**Comments:**

1. Port staff expect to complete the design of the Marginal Wharf Repair Project by the end of July 1998 and to advertise the Port construction contract for the shoring and the DPW contract for the repair of beams and decking by April of 1999. Port staff expect to complete the Project by June of 2000. Project construction cannot begin until after

April 1999 in order to allow time for DPW to complete work on the Mid Embarcadero Roadway Project that must be completed before the Marginal Wharf Repair Project can begin.

2. Structus Company will begin performing the design for the shoring, under contract with the DPW, as soon as funding for the shoring work is approved by the Board of Supervisors. The shoring design is expected to be complete by July 1998.

3. A total of 13 tenants who occupy the bulkhead buildings at Piers 1½, 3, and 5 may require relocation. (See the Attachment for the list of Port tenants that may be affected.) According to Mr. Lee, Port staff will not know either (a) how many tenants will have to be relocated or (b) the estimated associated costs of relocation until after the design for the repair of the marginal wharf beams and decking and the design for the shoring is complete. Mr. Lee reports that the shoring and repair work will be done one pier at a time (in contrast to doing all three piers simultaneously), so the relocation of tenants will be staggered. Mr. Lee estimates that those tenants required to relocate will be relocated for four to five months. However, the number of tenants to be relocated and the length of time of the relocation is still uncertain according to Mr. Lee. The preliminary estimated cost of tenant relocation ranges from \$150,000 to \$225,000.

- Recommendations:**
1. In accordance with Comment No. 3 above, amend the proposed supplemental appropriation to place \$225,000 on reserve for tenant relocation, pending submission of cost details regarding the number of tenants that must be relocated, the length of required relocation, and the total costs of such relocation.
  2. Approve the proposed supplemental appropriation as amended.

# TENANTS AT PIERS 1-1/2, 3 AND 5

## PIER 1-1/2

<u>TENANT'S NAME</u>	<u>ADDRESS</u>	<u>CONTACT PERSON</u>	<u>PHONE #</u>	<u>SQ. FT.</u>
AM Merch Marine Library	One World Trade Center New York, NY 10048	Jack Tolley	839-2226	828
Hirsch, E. G.	Structural Engineering San Francisco, CA 94111	E. G. Hirsch	362-6373	2,054
Kenzo Handa/Ron Luisco	Pier 1-1/2 San Francisco, CA 94111	Kenzo Handa	392-2358	859
Monarch Records	P.O. Box 192094 San Francisco, CA 94119	Deborah Brand	434-4400	683
Sugarman, Leon & Assoc.	Pier 1-1/2 San Francisco, CA 94111	Leon Sugarman	398-9502	1,685
Turnbull Griffin Haesloop	The Embarcadero San Francisco, CA 94111	Mary Griffin		3,311

## PIER 3

<u>TENANT'S NAME</u>	<u>ADDRESS</u>	<u>CONTACT PERSON</u>	<u>PHONE #</u>	<u>SQ. FT.</u>
F. B. Santa Rosa Ptl. LTD.	Pier 3, F. B. Santa Rosa San Francisco, CA 94111	Blake Yeaman	394-7999	11,200
Hornblower Yachts, Inc.	Ferry Boat Santa Rosa San Francisco, CA 94111	Mike Watson	788-8866	7,607
Arthur McLaughlin	1457 Baker Street San Francisco, CA 94115	Arthur McLaughlin	673-6746	777
Harry Shaver	1000 S.W. Vista Avenue Portland, OR 97205	Harry Shaver	397-7633	450



TENANTS AT PIERS 1-1/2, 3 AND 5PIER 5

<u>TENANT'S NAME</u>	<u>ADDRESS</u>	<u>CONTACT PERSON</u>	<u>PHONE #</u>	<u>SQ. FT.</u>
Architecture & Light	Pier 5 South San Francisco, CA 94111	Mark Stevens	282-2955	1,033
Pier V Partners	Pier 5 San Francisco, CA 94111	Randall Daar	986-5591	6,152
Pulham, Lovell & Thornton	Pier 5, The Embarcadero San Francisco, CA 94111	Allyson Shields	283-1500	9,997



Item 9 - File 28-97-12

**Department:** Public Utilities Commission (PUC)  
Department of Public Works (DPW)

**Item:** Resolution approving the expenditure of funds for the emergency work to replace a structurally inadequate sewer located at the intersection of Geary Boulevard and 23<sup>rd</sup> Avenue.

**Amount:** \$55,783.27

**Source of Funds:** Repair & Replacement Fund under Job Order No. 1540N

**Description:** Ms. Romaine Boldridge of the PUC advises that on August 13, 1997, PUC Sewer Operations identified an emergency condition at the intersection of Geary Boulevard and 23<sup>rd</sup> Avenue. The sewer had failed and immediate replacement was required in order to protect the health, welfare, and property of the citizens of San Francisco. On August 13, 1997, the PUC declared the sewer replacement an emergency. Ms. Boldridge reports that work commenced on August 25, 1997, and was completed on September 19, 1997. According to Ms. Boldridge, the sewer replacement cost was \$55,783, of which \$39,783 was for a construction contract and \$16,000 was for DPW design and construction management services.

Ms. Boldridge advises that, in accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract procedures on August 13, 1997, to acquire the necessary construction services. Esquivel Grading and Paving, Inc., was the only contractor that responded to the Request for Quote that was faxed to 20 contractors. The repair work consisted of replacing the existing 24-inch diameter sewer with approximately 53 feet of 24-inch diameter vitrified clay pipe (VCP) sewer at the intersection of Geary and 23<sup>rd</sup> Avenue.

**Recommendation:** Approve the proposed resolution.



Item 10 - File 98-7

**Department:** Real Estate Department  
Public Utilities Commission (PUC)  
Water Department

**Item:** Resolution authorizing a 10-year lease of Public Utilities Commission land under the jurisdiction of the Water Department to Smart SMR of California, Inc., doing business as (DBA) Nextel Communications, in the City of Millbrae, San Mateo County.

**Location:** A portion of San Francisco PUC Watershed land at the Trousdale Gate along the Interstate 280 corridor located in Millbrae

**Purpose of Lease:** Installation of mobile/wireless antennas to be used for the transmission and reception of radio communication signals for cellular telephones

**Lessee:** Smart SMR of California, Inc., DBA Nextel Communications

**Lessor:** City and County of San Francisco

**Size of Parcel:** 30 feet by 40 feet (1,200 square feet)

**Rental Cost:** \$2,000 per month, or \$24,000 per year, plus a one-time payment to the City of \$31,200 for the use of a cable conduit and microwave interconnection equipment on the property. Rent is to be adjusted annually on the anniversary of the lease commencement date, based on the Consumer Price Index

**Utilities and Services:** All utilities and services to be provided by the lessee at its sole cost

**Security Deposit:** \$4,000, or two months' base rent

**Term of Lease:** Ten years from estimated commencement date of May 1, 1998

**Description:** The proposed resolution would authorize the lease of City-owned watershed land at the Trousdale Gate

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

along the Interstate 280 corridor in Millbrae, California, which is under the jurisdiction of the San Francisco Water Department, to SMART SMR of California, Inc., a Delaware corporation. SMART SMR would use the site for the installation of mobile/wireless antennas to be used for the transmission and reception of radio communication signals for cellular telephones. SMART SMR would pay \$2,000 per month or \$24,000 annually, plus a one-time fee of \$31,200 for use of an existing cable conduit and microwave interconnection equipment. The lease term would be ten years.

**Comments:**

1. According to Mr. Garrett Dowd of the PUC Bureau of Commercial Land Management, lease rates for communications sites are not based on land value, but rather on the number of operators at a particular site, location of site, size of the facility, and the type of facility. According to Mr. Dowd by using such comparable data, the PUC determined that lease rates for communications projects similar to the project at the Trousdale Gate site average \$1,200 to \$1,500 a month. Therefore, according to Mr. Dowd, the proposed lease rate of \$2,000 per month represents at least fair market value for the subject lease.
2. The proposed lease includes a Covenant to Protect Trees or Other Native Vegetation. Under the terms of the lease, the tenant may not engage in or permit the cutting, removal or destruction of trees or any other native vegetation on the premises without the prior written approval of the City.

**Recommendation:** Approve the proposed resolution.



Item 11 - File 98-51

**Department:** Public Utilities Commission (PUC)  
Cleanwater Program

**Item:** Supplemental appropriation ordinance appropriating \$3,500,000 from the Clean Water Program Fund Balance for construction of New Southeast Plant aeration basins influent channel and design of a booster pump station upgrade for the PUC-Cleanwater Program.

**Amount:** \$3,500,000

**Source of Funds:** 1988 Clean Water Program Sewer Revenue Bonds

**Description:** The Clean Water Program is in the process of upgrading old and malfunctioning facilities and equipment and expanding facilities to accommodate increased capacity. The Clean Water Program is requesting \$2,800,000 to fund improvements to the Southeast Water Pollution Control Plant. (See Comment 2.) These improvements would be to the aeration tank (i.e., the tank where air is mixed with the sewage to cause the sewage to degrade). Specifically, the proposed supplemental appropriation would provide funding for construction of a new Aeration Basin Influent Channel (i.e., the channel through which sewage enters the aeration tank). According to the Clean Water Program, the existing aeration channel has extensive concrete damage. The new channel will be coated to prevent deterioration of the concrete. The existing channel will be kept functional as an emergency backup channel. In addition to the influent channel replacement, the small pipes (i.e., finger weirs) at the end of each aeration tank would be modified to reduce problems with oxygen losses.

The Clean Water Program is requesting an additional \$700,000 for design costs to upgrade the available capacity at the Booster Pump Station at the Southeast Water Pollution Control Plant with the necessary reliability and redundancy to comply with the Regional Water Quality Control Board's discharge permit. This \$700,000 would fund the design stage only. A request for

funds for construction would follow in the summer of 1998.

**Budget:**

Attachment 1 includes details of the estimated \$2,768,646 costs (see Comment 2) for the new Aeration Basin Influent Channel. Attachment 2 includes design cost details of \$700,000 for the Booster Pump Station, including hours and hourly rates for Department of Public Works (DPW) Bureau of Engineering, Bureau of Architecture and Bureau of Construction Management staff.

**Comment:**

1. As noted in Attachment 1, the construction component of this request has an estimated total cost of \$2,450,129, including a ten percent contingency. The Clean Water Program has not yet selected a contractor to provide these construction services. According to Mr. John Loiacano of the Clean Water Program, the construction contractor will be selected based on a competitive bid. Mr. Loiacano estimates that the competitive bidding process will begin in February 1998.

2. As shown on Attachment 1, the budget for the new Aeration Basin Influent Channel totals \$2,768,646 which is \$31,354 less than the \$2,800,000 request. Therefore, the proposed total supplemental appropriation should be reduced by \$31,354.

4. The Clean Water Program anticipates that construction for this project will begin in May 1998 and be completed in September 1999.

**Recommendations:**

1. Amend the proposed ordinance to reduce Building, Structures and Improvement Projects by \$31,354, from \$2,800,000 to \$2,768,646 and reduce the total appropriation request by \$31,354 from \$3,500,000 to \$3,468,641.

2. Approve the above as amended.

## SEP AERATION BASIN NEW INFLUENT CHANNEL

## EXPENDITURE DETAIL.

CONSTRUCTION AND CONSTRUCTION SUPPORT COST ESTIMATE				
ITEM	QTY	UNIT	UNIT COST	TOTAL COST
Mobilization Demobilization (two seasons)		L. Sum		\$200,000
<b>Structural Work</b>				
Demolition		L. Sum		\$70,000
New concrete channel	460	Cu. Yd.	\$620	\$265,200
Concrete repair		L. Sum		\$80,000
Concrete misc. infill	58	Cu. Yd.	\$620	\$35,960
<b>Subtotal Structural Work</b>				<b>\$451,160</b>
<b>Mechanical Work</b>				
Influent slide gates	8	Ea	\$17,250	\$138,000
New concrete PVC lining	11,000	Sq. Ft.	\$35	\$385,000
Epoxy coating	31,000	Sq. Ft.	\$12	\$372,000
RAS slide gate	1	Ea	\$2,750	\$2,750
Influent weirs	8	Ea	\$460	\$3,680
Effluent fingers weirs	32	Ea	\$6,000	\$192,000
Influent channel floor drain		L. Sum		\$5,800
Removal, reinstallation and testing of mixers	8	Ea	\$14,000	\$112,000
<b>Subtotal Mechanical Work</b>				<b>\$1,211,230</b>
<b>Electrical Work</b>				
Complete wiring for new gates and other misc work		L. Sum		\$115,000
<b>Subtotal Electrical Work</b>				<b>\$115,000</b>
Confined space construction and access		L. Sum		\$100,000
Hazardous material allowance		L. Sum		\$100,000
Material Testing		L. Sum		\$50,000
<b>SUBTOTAL CONSTRUCTION</b>				<b>\$2,227,390</b>
Construction contingency				\$222,739
<b>Construction Cost</b>				<b>\$2,450,129</b>
Engineering support during construction				\$73,504
Construction Management				\$245,013
<b>TOTAL</b>				<b>\$2,768,646</b>
<b>TOTAL BUDGET \$2.8 MILLION</b>				

* Fax Note	7671	Date	# of pages
From	Jon L. ...		
To			
Phone #	648-6882		
Fax #	282-4290		

## SEP Booster Pump Station Upgrade

## BOE Design Budget Estimate

Class Number	Class Name	\$/hr (with overhead)	Hours	Cost (\$)
Project Management				
5506	Project Manager III	96.91	400	38,764
1426	Senior Clerk Typist	38.48	50	1,924
Mechanical Engineering				
5258	Senior Mechanical Engineer	88.18	225	19,840
5256	Mechanical Engineer	76.16	450	34,273
5254	Associate Mechanical Engineer	65.78	650	42,756
5252	Assistant Mechanical Engineer	55.45	700	38,814
5344	Mechanical Engineering Assistant	45.17	1200	54,204
1426	Senior Clerk Typist	38.48	300	11,543
5174	Administrative Engineer	81.91	160	13,105
			Sub-Total	214,536
Structural Engineering				
5210	Senior Civil Engineer	88.18	225	19,840
5208	Civil Engineer	76.16	450	34,273
5206	Associate Civil Engineer	65.78	650	42,756
5204	Assistant Civil Engineer	55.45	700	38,814
5362	Civil Engineering Assistant	45.17	1200	54,204
1426	Senior Clerk Typist	38.48	300	11,543
5174	Administrative Engineer	81.91	160	13,105
			Sub-Total	214,536
Electrical Engineering				
5242	Senior Electrical Engineer	88.18	150	13,227
5240	Electrical Engineer	76.16	225	17,137
5238	Associate Electrical Engineer	65.78	650	42,756
5236	Assistant Electrical Engineer	55.45	700	38,814
5352	Electrical Engineering Assistant	45.17	1200	54,204
1426	Senior Clerk Typist	38.48	300	11,543
5174	Administrative Engineer	81.91	75	6,143
			Sub-Total	183,824
5266	BOA Architect Associate II	65.78	380	24,996
5312	BCM Surveyor	52.05	195	10,149
5252	BCM Site Assessment for Remediation Assistant Mechanical Engineer	55.45	185	10,258
			Grand Total	698,988
			Budget	700,000

Post-It* Fax Note	7671	Date	# of pages
To	KAREN SIKKENGA	From	JON LOIACONO
Co./Dept	BUDGET ANALYST	Co.	
Phone #		Phone #	648-6882
Fax #	252-0461	Fax #	282-4490

Item 12 - File 121-97-10

- Note:** This item was continued by the Finance Committee at its meeting of January 7, 1998.
- Item:** Ordinance amending the Police Code to add Article 33C, Sections 3300C.1 through 3300C.6, to provide for the retention of security, janitorial, building maintenance, and non-professional health care workers when a successor contract is awarded.
- Description:** The proposed ordinance, titled the "Displaced Worker Protection Act," would amend the San Francisco Police Code by adding Chapter 33C to provide for the continued employment of employees of private firms in the event that another private firm is awarded the contract to provide those services to the City or to any other "person," meaning any individual, proprietorship, partnership, corporation, etc.
- The proposed ordinance would apply to any contract "awarding authority," defined as any person that awards or otherwise enters into contracts for security, janitorial, building maintenance, or non-professional health care services performed within the City and County of San Francisco.
- Therefore, this legislation applies to all businesses which provide services in San Francisco including those businesses which contract with the City, as well as those businesses which do not contract with the City.
- The proposed ordinance defines "employee" as any person employed as a service employee of a contractor or subcontractor who works at least 15 hours per week and whose primary place of employment is in San Francisco under a service contract to provide security, janitorial, building maintenance, or non-professional health care worker services. The non-professional health care worker services would apply to services provided in a hospital, skilled nursing facility, or community mental health facility, or as part of a community substance abuse or AIDS program. The proposed ordinance would apply only to service contracts that involve expenditures in excess of \$25,000 per contract and have a contract term of at least three months. For purposes of the proposed ordinance, "employee" would not include a person who (1) is a managerial, supervisory, or confidential employee, including those employees who would



be so defined under the Fair Labor Standards Act; or (2) does not possess or has not maintained a required occupational license; or (3) is employed less than 15 hours per week.

The proposed ordinance defines "contractor" as any person that enters into a service contract with an awarding authority and who employs 25 or more persons.

The proposed ordinance contains the following provisions:

#### **Transition Employment Period and Hiring Process**

1. Within 10 days of the termination of a service contract, the terminated contractor would be required to provide to the successor contractor, the name, date of hire, and job classification of each employee employed at the site or sites covered by the prospective contractor at the time of contract termination. This provision would also apply to any subcontractors of the terminated contractor.
2. A successor contractor would be required to retain, for a 90-day employment transition period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding eight months or longer at the site or sites covered by the contract.
3. If at any time the successor contractor determines that fewer employees are required to perform the new service contract than were required by the terminated contractor, and subcontractors if any, the successor contractor shall retain employees by seniority within job classification.
4. During the 90-day transition period, the successor contractor, or subcontractor where applicable, shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor or subcontractor from which the successor contractor or subcontractor shall hire additional employees.
5. Except in the instance of the successor contractor determining that fewer employees are required to perform the new service contract, during the 90-day transition period, the successor contractor or subcontractor could not discharge an employee protected under the provisions of this proposed legislation without cause. "Cause" for this purpose



would include but not be limited to the employee's conduct while in the employment of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance. Permissible union-related activity would be specifically excluded as a cause for termination.

6. At the end of the 90-day employment transition period, the successor contractor or subcontractor would complete a written performance evaluation for each employee retained under this proposed employment transition period. If the employee's performance during such 90-day period is satisfactory, the successor contractor or subcontractor would be required to offer the employee continued employment under the terms and conditions established by the successor contractor or subcontractor, or as required by law.

### **Enforcement**

An employee who has been discharged in violation of this proposed legislation by a successor contractor or subcontractor could sue in the Municipal Court or Superior Court, as appropriate, and may be awarded back pay and costs of benefits. If the employee is the prevailing party in the lawsuit, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

The proposed legislation expressly states that its provisions are not intended to create a private right of action against an awarding authority. According to Mr. Jonathan Holtzman, Deputy City Attorney, the provisions of the proposed legislation are intended to create a private right of legal action (i.e., right to sue) on the part of an aggrieved employee against successor contractors and subcontractors. Mr. Holtzman advises that under the proposed legislation, there is no expressed provision for enforcement by the City. The proposed ordinance only provides for the right of an aggrieved employee to sue in Municipal Court or Superior Court, as appropriate.

### **Exemption for Successor Contractor's or Subcontractor's Prior Employees**

An employee of a successor contractor or subcontractor who has been continuously employed by such firm for at least

eight months prior to the commencement of the successor service contract or subcontract, who is proposed to work on the successor service contract or subcontract in a capacity similar to such prior employment may be exempted from the provisions of this proposed legislation by the awarding authority if the person would otherwise be laid off from work. In such case, the previous contractor's employee would not have the right to the otherwise required employment transition.

**Comments:**

1. As previously noted, the proposed legislation would apply to private "awarding authorities" in addition to applying to the government agency of the City and County of San Francisco "awarding authorities," for contract services within San Francisco.

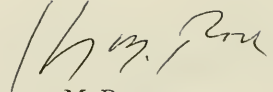
2. A memorandum from the City Purchaser, Mr. Edwin Lee, concerning the fiscal impact of the proposed legislation is attached to this report. Mr. Lee estimates that one, part-time, program administrator, at an estimated annual cost of approximately \$32,000, including salary and benefits, would be required to administer the proposed "Displaced Worker Protection Act," and that any other costs to the City would be minimal. Such estimated costs pertain only to the costs of administering contracts with the City and County of San Francisco and does not cover administrative costs which may be incurred by private businesses.

3. The requirements of the proposed legislation could increase the bid amounts to the City and County of San Francisco of future contract proposals because businesses could incur increased costs due to the employment transition rights of employees of the previous contractor. However, the amount of such a potential increase, if any, cannot be estimated.

4. As previously noted, Mr. Holtzman advises that under the proposed legislation, there is no expressed provision for enforcement by the City. The proposed ordinance only provides for the right of an aggrieved employee to sue in Municipal Court or Superior Court, as appropriate.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Memo to Finance Committee  
January 28, 1998 Finance Committee Meeting



Harvey M. Rose

cc: President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Matthew Hymel  
Stephen Kawa  
Ted Lakey

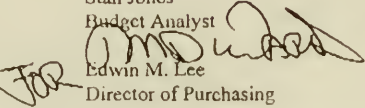
## City and County of San Francisco

## Purchasing Department



December 24, 1997

To: Stan Jones  
Budget Analyst

From:  Edwin M. Lee  
Director of Purchasing

Subject: Possible Impact of "Displaced Worker Protection Act"

In response to your request, I have asked for the Buying Division's review of the subject draft ordinance. Purchasing has no experience with the type of effects this legislation could have on the bidding process. As a result, Purchasing cannot quantify the potential effects of the proposed legislation, but we can identify areas where the City would have more work to do:

1. Maintain a pool of the previous contractor's employees.
2. Possible dispute resolution over who is or is not on the "lists." It's unclear whether the City would have a role in dispute resolution, or whether all disputes would be resolved in court.

These are only possible cost-related items that we can see now, assuming implementation is smooth. Based upon this, we feel the cost would be a part-time program administrator as a start. Otherwise, the cost to the City appears to be minimal.

cc: Steve Nelson  
Bill Lee  
Rebecca Prozan, Mayor's Office

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

FEB 05 1998

SAN FRANCISCO  
PUBLIC LIBRARY

## REGULAR MEETING

WEDNESDAY, FEBRUARY 4, 1998 - 1:00 P.M.VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS MABEL TENG, BARBARA KAUFMAN, AMOS BROWN

CLERK: JONI BLANCHARD

Meeting Commenced: 1:07 p.m.CONSENT CALENDAR

1. All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Committee and will be acted upon by a single, roll-call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- a) File 98-0062. [Reserved Funds, Public Transportation Commission] Hearing to consider release of reserved funds, Public Transportation Commission (Federal grants and matching funds, Resolution No. 300-96), in the amount of \$1,250,000 to fund Port of San Francisco activities related to improvements to the Ferry Building Intermodal Facilities. (Public Transportation Commission)

SPEAKERS: None.

ACTION: Release of \$1,250,000 approved. Filed.

- b) File 98-0087. [Reserved Funds, Commission on the Aging] Hearing to consider release of reserved funds, Commission on the Aging (1997-98 Budget), in the amount of \$300,000, to fund contractual services of nonprofit community based organizations in connection with the Citywide Naturalization Project. (Commission on the Aging)

SPEAKERS: None.

ACTION: Release of \$300,000 approved. Filed.



## REGULAR ITEMS

2. File 98-0140. [Appropriation, Department of Public Health] Ordinance appropriating \$1,500,000, Department of Public Health-Community Health Service, from Community Health Service Tobacco Settlement Revenue, to fund for health education, promotion and enforcement programs to discourage smoking among minors, and for the creation of two (2) new positions for fiscal year 1997-98; companion to File 98-0141. (Mayor Willie L. Brown, Jr.)

SPEAKERS: Harvey Rose, Budget Analyst; Bob Prentice, Dept. of Public Health - support; Alyonik Hrushow, Dept. of Public Health - support.

ACTION: Hearing held. Consideration continued to 3/4/98.

3. File 98-0141. [Annual Salary Ordinance, Dept. of Public Health] Ordinance amending Annual Salary Ordinance No. 307-97 reflecting the creation of two new positions in the Department of Health, Community Health Service; companion to File 98-0140. (Mayor Willie L. Brown Jr.)

SPEAKERS: Harvey Rose, Budget Analyst; Bob Prentice, Dept. of Public Health - support; Alyonik Hrushow, Dept. of Public Health - support.

ACTION: Hearing held. Consideration continued to 3/4/98.

4. File 98-0092. [Appropriation, Public Library] Ordinance appropriating \$1,582,367, Public Library, (\$400,000 from the General Fund Reserve, \$114,367 Budget Incentive Reserve, \$354,000 Fine and Fee Revenues, and \$357,000 Fuhrman Gift Fund and rescinding \$357,000 General Fund Books) to fund salaries, professional services, books and equipment for fiscal year 1997-98. RO #97189. (Controller)

SPEAKERS: Harvey Rose, Budget Analyst; Matthew Hymel, Mayor's Budget Office - support; Regina Minudri, City Librarian - support; Eve Sternberg, Library - support; Ed Harrington, Controller; Ann Anderson, League of Women Voters - support.

ACTION: Hearing held. Amended on page 1, line 1 to replace "\$1,582,367" with "\$1,225,367". (See new title). Recommended as amended.

New Title: [Appropriation, Public Library] Ordinance appropriating \$1,225,367, Public Library, (\$400,000 from the General Fund Reserve, \$114,367 Budget Incentive Reserve, \$354,000 Fine and Fee Revenues, and \$357,000 Fuhrman Gift Fund and rescinding \$357,000 General Fund Books) to fund salaries, professional services, books and equipment for fiscal year 1997-98. RO #97189. (Controller)



5. File 98-0106. [Reserved Funds, Public Library] Hearing to consider release of reserved funds, Public Library (97/98 Budget) of \$5,790,967 for Library's staffing reorganization plan and Department expenditures. (Public Library)

SPEAKERS: Harvey Rose, Budget Analyst; Regina Minudri, City Librarian - support; Eve Sternberg, Library - support; Ann Anderson, League of Women Voters - support.

ACTION: Hearing held. Release of \$5,790,967 approved. Filed.

6. File 172-97-19. [Amendment, Advertising Shelter Agreement] Ordinance amending Third Amendment to Advertising Transit Shelter Agreement between City and County of San Francisco and Outdoor Systems, Inc. to maintain MUNI Metro Extension and F-Line boarding platforms in exchange for advertising on platforms and to expand transit shelter program. (Public Transportation Department)  
(Consideration continued from 1/21/98)

SPEAKERS: Harvey Rose, Budget Analyst; Peter Straus, MUNI - support; William Rutland, J.C. Decaux - expressed concerns; George Broder, Eller Media - expressed concerns; Marcia Smolens, HMS & Associates (representing Outdoor Systems, Inc.) - support.

ACTION: Hearing held. Recommended (on a roll call vote with Supervisor Brown dissenting).

NOTE: 1/29/98 VERSION OF AGREEMENT SUPERSEDED BY 2/4/98  
VERSION ADOPTED BY COMMITTEE.

7. File 98-0109. [de Young Museum General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction and/or reconstruction by the City and County of a new museum facility in Golden Gate Park to replace the M. H. de Young Memorial Museum and all other works, property and structures necessary or convenient for the foregoing purposes, including funding for improvements to Golden Gate Park in the areas appurtenant to, or which provide access to, the de Young Museum, and that the estimated cost of \$95,000,000 for such municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of bonded indebtedness. (Supervisors Yaki, Teng, Yee, Katz, Brown, Kaufman, Newsom)

SPEAKERS: Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Atty. - provided information; Supervisor Yaki - support; Harry Parker, Director of Fine Arts Museums - support; Matthew Hymel, Mayor's Budget Office - provided information; Richard Goss, Fine Arts Museums - support; Jill Wynns - support; Connie Goodyear - support; Jean McClatchy - support; Pinky Kushner - opposed; David Miles, Jr. - expressed concerns; Howard Strassner - opposed; Tony Kilroy, S.F. Tomorrow - expressed concerns; Terry Rolleri - expressed concerns; Linda Atkins - opposed; Philip Carleton - opposed; Greg Gaar, Alliance for Golden Gate Park - expressed concerns.

ACTION: Hearing held. Amended on page 1, lines 9 and 22, and on page 2, lines 2 and 7 to replace "\$95,000,000" with "\$89,900,000". (See new title). Recommended as amended.

New Title: [de Young Museum General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction and/or reconstruction by the City and County of a new museum facility in Golden Gate Park to replace the M. H. d Young Memorial Museum and all other works, property and structures necessary or convenient for the foregoing purposes, including funding for improvements to Golden Gate Park in the areas appurtenant to, or which provide access to, the de Young Museum, and that the estimated cost of \$89,900,000 for such municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of bonded indebtedness. (Supervisors Yaki, Teng Yee, Katz, Brown, Kaufman, Newsom)

8. File 98-0050. [Appropriation, Ethics Commission] Ordinance appropriating \$82,448, Ethics Commission, from the General Fund Reserve-Ethics Commission, for salary, fringe benefits and non-personal services for the creation of 1.41 position for fiscal year 1997-98; see Files 98-0057 and 64-97-22. RO #97187. (Controller)  
(Consideration continued from 1/28/98)

SPEAKERS: Harvey Rose, Budget Analyst; Ginny Vida, Ethics Commission - support.

ACTION: Hearing held. Amended on page 1, lines 1, 11 and 21 to replace "\$82,448" with "\$73,306"; amended on page 1, line after "1997-98" to add "; providing for ratification previously taken."; amended on page 1, line 17 to replace "\$31,603" with "\$25,106"; amended on page 1, line 18 to replace "\$6,637" with "\$5,272"; amended on page 1, line 20 to replace "\$44,208" with "\$42,928"; amended on page 2, line 8 to replace "1403 N" with "1403 L"; amended on page 2, beginning on line 10 to add "Section 3. Although the Board of Supervisors has incurred no legal obligation, the Board of Supervisors does hereby ratify the action previously taken." (See new title). Recommended as amended.

New Title: [Appropriation, Ethics Commission] Ordinance appropriating \$73,306, Ethics Commission, from the General Fund Reserve-Ethics Commission, for salary, fringe benefits and non-personal services for the creation of 1.41 position for fiscal year 1997-98; providing for ratification of action previously taken; see Files 98-0057 and 64-97-22. RO #97187. (Controller)

9. File 98-0057. [Salary Ordinance Amendment, Ethics Commission] Ordinance amending Ordinance No. 307-97 (Annual Salary Ordinance, 1997/98), Ethics Commission, reflecting the creation of 1.41 new positions; see Files 98-0050 and 64-97-22. (Department of Human Resources)  
(Consideration continued from 1/28/98)

SPEAKERS: Harvey Rose, Budget Analyst; Ginny Vida, Ethics Commission  
- suppoort.

ACTION: Hearing held. Amended on line 12 to replace "1403 N" with  
"1403 L". Recommended as amended.

VOTE ON ALL ITEMS WAS 3 - 0, EXCEPT ITEM 6, WHICH VOTE WAS 2 - 1 (WITH SUPERVISOR BROWN DISSENTING ON A ROLL CALL VOTE).

Meeting Adjourned: 3:20 p.m.



DOCUMENTS DEPT.

FEB 04 1998

SAN FRANCISCO  
PUBLIC LIBRARY

CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

January 30, 1998

TO: Finance Committee  
FROM: Budget Analyst *Recommendations for meeting of*  
SUBJECT: February 4, 1998 Finance Committee Meeting

#### Item 1a - File 98-62

Department: Municipal Railway (MUNI)  
Port Commission

Item: Hearing to consider the release of reserved funds in the amount of \$1,250,000 to partially fund improvements to the Port of San Francisco's Ferry Building Intermodal Facilities.

Amount: \$1,250,000

Source of Funds:	Federal Section 3 Capital Assistance	\$1,000,000
	Previously appropriated Port funds	<u>250,000</u>
	Total	\$1,250,000

Description: In April of 1996, the Board of Supervisors authorized the Public Transportation Commission to retroactively apply for, accept, and expend \$72,167,041 from Federal and State grants and \$6,947,400 from various matching sources, for a total of \$79,114,441 to fund 13 MUNI projects (File 213-96-3). Pending the submission of budget details for each of the 13 projects, \$73,345,000 of the \$79,114,441 was placed on reserve.

Memo to Finance Committee  
February 4, 1998 Finance Committee Meeting

The Finance Committee previously authorized releases of funds in the amounts of \$1,525,000 (File 213-96-3.1), \$4,591,000 (File 213-96-3.2), \$1,508,000 (File 213-96-3.3) and \$1,687,500 (File 213-96-3.4) for a total of \$9,311,500 to fund MUNI's office automation hardware and software needs, MUNI's direct staffing and contractual needs for continued implementation of the Americans with Disabilities Act, to purchase 30 paratransit vans, and to purchase various other pieces of equipment. Funding in the amount of \$64,033,500 remains on reserve. The subject proposed resolution would release \$1,000,000 from this reserve of \$64,033,500 Federal Section 3 Capital Assistance grant funds.

Additionally, the remaining \$250,000 is requested to be released from a previously approved supplemental appropriation (File 101-93-95) in Port funds placed on reserve pending contractor identification and cost details.

**Budget:**

The proposed release of reserved funds would provide \$1,250,000 to partially fund improvements for the Port's Ferry Building Intermodal Facilities. Half of the subject request, or \$625,000 (\$500,000 in Federal Section 3 funds from MUNI plus \$125,000 in previously appropriated Port funds, will fund the design, environmental analysis, and financial analysis of the Ferry Building Breakthrough Project (see Comment No. 1). The remaining \$625,000 (\$500,000 in Federal Section 3 funds from MUNI plus \$125,000 from previously appropriated Port funds) will partially fund a construction contract to create a new North Ferry Terminal by moving the existing temporary floating terminal next to the Ferry Terminal building, and permanently attaching it to the building, thereby creating the North Ferry Terminal. The Attachment to this report, provided by the Port, contains the total project budgets for the Ferry Building Breakthrough Project and the North Ferry Terminal Project and the funding sources for those Projects which includes the subject requested \$1,250,000 in funds for release.

**Comments:**

1. According to Ms. Veronica Sanchez of the Port, significant improvements are needed to the Ferry Building. The Ferry Building Breakthrough Project, which will be partially funded by the subject release of reserve funds, is the first step in these improvements. The Breakthrough will provide a



pathway for Ferry passengers to move from Market Street to the Ferry Terminals at the rear of the Ferry Building.

2. Ms. Sanchez further reports that the construction of a North Ferry Terminal, which would be partially funded by the subject release of reserve funds, is needed to move the floating barge, currently used as a temporary terminal, next to the Ferry Building and secure it to the north side of the Ferry Building. This will improve the seismic stability of the North Ferry Terminal and it will create a secure, protective walkway for passengers. Securing the floating barge to the Ferry Building will also provide greater turnaround space for ferries.

**Recommendation:** Approve the release of funding in the requested amount of \$1,250,000.

SUMMARY OF FTA FUNDS FOR FERRY BUILDING AND DOWNTOWN FERRY TERMINAL

USES	FERRY BUILDING BREAKTHROUGH	NORTH FERRY TERMINAL	
Design	\$625,000.00	\$1,577,388.00	See note #2
Construction	\$2,003,803.00	\$2,758,143.00	
Grant Administration-MUNI		\$50,000.00	
Total	\$2,628,803.00	\$4,385,531.00	
Grants			
FTA/Sec. 3 (See Note #1)	\$500,000.00	\$500,000.00	
Local Match: PSF Supplemental	\$125,000.00	\$125,000.00	Note #3
FTA/23		\$1,487,500.00	
CA: Prop 116 (20% minimum)		\$645,643.00	
FHWA: TEA	\$850,000.00		
CA Prop 116 (20% minimum)	\$1,153,803.00		
	\$2,628,803.00	\$2,758,143.00	
1/Funds Requested to be Released (\$1.25 million)			
2/Downtown Ferry Term. Grants			
Expended On Design:			
\$972,388.00	Prop 116		
\$480,000.00	ISTEA, Sec. 1054		
\$120,000.00	ISTEA, Sec. 1064		
\$1,572,388.00			
3/ Includes \$50,000 for costs of MUNI Grant Admb.			

Item 1b - File 98-87

**Department:** Commission on the Aging (COA)  
Department of Human Services (DHS)

**Item:** Hearing to consider the release of reserved funds for the Commission on the Aging (COA), in the amount of \$300,000 for to provide additional funds for existing contracts with non-profit organizations that provide direct services to help legal immigrants to obtain United States citizenship.

**Amount:** \$300,000

**Source of Funds:** \$300,000 in reserved funds for Elderly and Disabled Immigrants established by the Board of Supervisors in the FY 1997-98 budget for the Commission on the Aging.

**Description:** As part of the 1997-98 budget process, the Finance Committee established and the Board of Supervisors approved a reserve of \$300,000 in the COA's budget for elderly and disabled immigrants. The COA is now requesting the release of the reserved funds for two nonprofit organizations that provide services primarily to elderly and disabled immigrants as part of the San Francisco Naturalization Project.

According to Mr. John Young, Project Manager of Citizenship Services of the DHS, the San Francisco Naturalization Project began in May of 1997 to assist primarily elderly and disabled Southeast Asian, Asian, Russian and Spanish immigrants, who are at risk of losing Supplemental Security Income (SSI) benefits, to become United States citizens.

Based on a Request for Proposal process (RFP), the COA has previously entered into contracts with two nonprofit organizations, Self Help for the Elderly and La Raza Centro Legal, to provide services primarily for elderly and disabled immigrants, including intake assessment, information and referral, English as a Second Language and citizenship classes.

The proposed request would provide additional funds to Self Help for the Elderly and La Raza Centro Legal in order for these two nonprofit organizations to provide the services

primarily to elderly and disabled immigrants, as listed in the Attachment to this report submitted by the COA.

**Budget:** The Attachment provided by the COA contains the proposed allocation of \$300,000. Including this subject request of \$300,000, the FY 1997-98 total allocation to Self Help for the Elderly and La Raza Centro Legal is as follows:

	Existing Allocation for FY <u>1997-98</u>	Subject Proposed <u>Increase</u>	Total Allocation for <u>FY 1997-98</u>
Self Help for the Elderly	\$34,680	\$250,000	\$284,680
La Raza Centro Legal	<u>17,040</u>	<u>50,000</u>	<u>67,040</u>
<b>TOTAL</b>	<b>\$51,720</b>	<b>\$300,000</b>	<b>\$351,720</b>

**Comment:** According to Ms. Cynthia Eng of the DHS, because the subject funds are specifically designated to provide naturalization services for primarily seniors, Self Help for the Elderly and La Raza Centro Legal were selected for this allocation of funds by the COA, with input from the DHS, based on the ability of the two nonprofit organizations to provide the necessary services (File 101-96-67).

**Recommendation:** Approve the release of reserved funds in the requested amount of \$300,000.

**Immigrant Services to be Provided with COA Supplemental Appropriation:**

<b>Services Provided:</b>	<b>Cost (in thousands):</b>
Intake and assessment	10
Information and referral:	80
Multilingual immigrant rights hotline	45
Ethnic media campaign (television, radio and newsprint)	15
Community education events	10
Citizenship fairs	10
Immigrant rights education	30
Immigrant and Refugee Youth-Senior advocacy and mentoring	80
Volunteer training and recruitment	10
Preparation of naturalization application (N-400)	30
ESL and Citizenship classes	20
Translation, Counseling and Support Services	10
Legal Services	30
<b>TOTAL:</b>	<b>300</b>

**LA RAZA CENTRO LEGAL**

La Raza Centro Legal is a non-profit community law center which provides services in the areas of immigration, naturalization, employment, housing, and senior & youth law to individuals and families throughout the Bay Area. Their broad range of programs is designed to protect the well-being of individuals and work toward a more just and inclusive society. La Raza has demonstrated the capacity to bring together several organizations throughout the Mission and Southeast area of San Francisco, and to adequately serve many immigrants, principally Latino and Filipino, but with a significant number of Chinese.

**SELF HELP FOR THE ELDERLY**

Self Help for the Elderly is a private, non-profit, community-based organization dedicated to helping older adults. It serves thousands of (mostly Asian) seniors annually, through social work and congregate meals programs. The majority of Self Help's clients will be impacted by welfare and immigration reform legislation. Self Help coordinates naturalization and related services for both seniors and disabled immigrants in Asian communities throughout the city of San Francisco.





Items 2 and 3 - Files 98-140 & 98-141

**Department:** Department of Public Health (DPH)

**Items:** **File 98-140** - Supplemental appropriation ordinance appropriating \$1,500,000 of Tobacco Settlement Revenues to the Department of Public Health (DPH) Community Health Service to fund health education, promotion and enforcement programs to discourage smoking among minors.

**File 98-141** - Ordinance amending the 1997-98 Annual Salary Ordinance to reflect the creation of two new limited tenure positions in the Department of Public Health (DPH).

**Amount and**

**Source of Funds:** \$1,500,000 in proceeds from a Settlement and Consolidation Agreement with the R.J. Reynolds Tobacco Company regarding Mangini v. R.J. Reynolds Tobacco Company, et al.

**Description:** On September 9, 1997 a Settlement and Consolidation Agreement (Agreement) was reached with R.J. Reynolds Tobacco Co. (RJR) in Mangini v. R.J. Reynolds Tobacco Company, et al. Pursuant to the Agreement, RJR will discontinue the Joe Camel Campaign, release documents relating to the campaign to the public, and pay \$10,000,000 to the City and County of San Francisco, which served as the lead litigator.

On October 6, 1997 the Board of Supervisors approved a resolution to accept funds in the amount of \$10,000,000 made available in Mangini v. R.J. Reynolds Tobacco Company, et al. and distribute such funds according to the terms of a Settlement and Consolidation Agreement (File 194-97-2.1). Under the terms of the Agreement, of the total amount of \$10,000,000, (a) \$1,000,000 would be used to compensate San Francisco and the 13 other California cities and counties which participated in the litigation for public attorney time spent on the litigation (File 101-97-53) and (b) \$9,000,000 would be used to finance education, enforcement and advertising campaigns by California cities and counties to discourage smoking by minors. Of the \$9,000,000 to be used for education, enforcement and advertising campaigns, San Francisco will receive a total of \$1,500,000.

The proposed supplemental appropriation ordinance would appropriate this \$1,500,000 to the DPH's Tobacco Free Project to fund a youth anti-tobacco program. The Tobacco Free Project, part of DPH's Health Education and Promotion Division, is responsible for protecting persons from the effects of environmental tobacco smoke; reducing minors' access to tobacco; countering pro-tobacco advertising; and promoting tobacco cessation programs.

Expenses for proposed youth anti-tobacco program would include: (1) contracts with professional services firms for health education, promotion and enforcement services; (2) operating expenses for the proposed program; and (3) salaries and fringe benefits for two new 2822 Health Educators to administer the proposed program

Ms. Anne Okubo of DPH advises that DPH would amend an existing contract with O'Rorke Public Relations & Advertising to develop television programs to discourage smoking among minors (see Comment No. 1). Additionally, DPH would amend an existing contract with Polaris Research & Development to conduct surveys and focus groups to evaluate the effectiveness of the television programs (see Comment No. 1). Polaris Research & Development would also develop enforcement protocols for City personnel to use when enforcing tobacco related laws such as the ban on outdoor tobacco advertising. According to Ms. Okubo, the two Health Educators would be responsible for coordinating with O'Rorke Public Relations & Advertising, Polaris Research & Development and other professional service providers and overseeing the youth anti-tobacco program.

**Budget:**

The DPH submitted the following budget for the \$1,500,000 supplemental appropriation request. All expenses assume a commencement date upon approval by the Board of Supervisors for a total of 17 months from approximately March 1, 1998 to July 31, 1999.

Memo to Finance Committee  
February 4, 1998 Finance Committee Meeting

**Budget:**

**Permanent Salaries:**

Two 2822 FTE Health Educators @ \$2,209 biweekly  
for 17 months (approximately 37 pay periods) \$163,400

**Fringe Benefits:**

22% of salaries 35,900

**Rents & Leases:**

Rent for office space located at 1540  
Market Street: 800 sq. ft. @ \$1.25/sq. ft or \$1,000/month  
for 17 months (see Comment No. 2) 17,000

**Other Current Expenses:**

See Attachment 1 6,000

**Materials and Supplies:**

2 desks @ \$1,500 each	\$3,000	
2 chairs @ \$400 each	800	
2 computer workstations @ \$1,500 each	3,000	
2 chairs for clients @ \$200 each	<u>400</u>	
Total Materials and Supplies		7,200

**Equipment:**

2 computers with software @ \$3,500 each	\$7,000	
2 printers @ \$1,500 each	<u>3,000</u>	
Total Equipment		10,000

**Services of Other Departments -**

**Telecommunication and Information Services :**

Installation costs for 2 telephones @ \$200/phone	\$400	
Monthly service charge @ approximately \$135 per month per phone for 17 months	<u>4,600</u>	
Total Services of Other Departments		5,000

**Professional Services:**

*Health Education and Enforcement:*

Polaris Research & Development  
See Attachment 2 \$309,000

O'Rourke Public Relations & Advertising  
See Attachment 3 550,000

*Prevention and Enforcement Programs*  
See Comment No. 4 396,500

Total Professional Services 1,255,000

**Total Supplemental Request \$1,500,000**

The proposed ordinance (File 98-141) would amend the 1997-98 Annual Salary Ordinance to reflect the creation of two new limited tenure positions for the DPH as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
February 4, 1998 Finance Committee Meeting

<u>Position Title</u>	<u>No. of Positions</u>	<u>Biweekly Salary</u>	<u>Annual Salary @ Step 1</u>	<u>Annual Salary @ Step 5</u>
2822 Health Educator	2	\$1,818 - \$2,209	\$47,450	\$57,655

The annual cost of the requested two new positions would range from \$115,778 at Step 1, including \$94,900 in salaries and \$20,878 in fringe benefits, to \$140,678 at Step 5, including in \$115,310 in salaries and \$25,368 in fringe benefits.

**Comments:**

1. As noted above, the subject funds would be used to modify existing professional services contracts with O'Rorke Public Relations, a firm specializing in health promotion public awareness campaigns, and Polaris Research & Development, a survey research firm. Ms. Okubo, states that in 1992, O'Rorke Public Relations was selected by the DPH to develop an anti-smoking campaign, pursuant to a Request for Proposal (RFP) process. Ms. Okubo also states that in 1991, Polaris Research & Development was selected by DPH to develop evaluate tobacco cessation programs pursuant to a Request for Proposal (RFP) process. Ms. Okubo advises that these two firms are being used by DPH to provide services for the proposed project because of their expertise in providing health education and enforcement services.

2. According to Ms. Monique Zmuda of the DPH, DPH's Tobacco Free Project has an existing lease for Suite 250 at 1540 Market (File 64-96-23). The existing lease provides 2,121 square feet of space (including a conference room) at \$1.08 per square foot (\$2,291 per month) for five employees (an average of 424 square feet per employee). If the proposed supplemental appropriation ordinance is approved by the Board of Supervisors, DPH will negotiate a lease amendment for an additional 800 square feet of office space at an estimated cost of \$1.25 per square foot per month (\$1,000 per month) for 17 months. This lease amendment would result in a total of 2,921 square feet, or 417 square feet per employee for seven employees (including the two new requested employees). According to Ms. Zmuda, this high amount of square footage per employee is necessary because

the configuration of the existing space at 1540 Market Street results in overcrowding.

In order to assess whether additional office space is needed for the Tobacco Free Project, the Budget Analyst visited the existing office space at 1540 Market Street, Suite 250. Based on this visit, we concluded that, although the space is somewhat crowded, measures could be taken, such as consolidating file storage, the FAX machine and the printer into one cubicle rather than in four separate cubicles, which would result in the more efficient use of existing space and which would free up additional space for use by the requested two new limited tenure employees. If the requested additional space of 800 square feet is not approved, and instead, 2,121 square feet of space were occupied by the requested two new positions, this still would result in an average of 303 square feet per employee for the seven employees. As such, given that we question whether the lease of additional space is necessary, we consider approval of \$17,000 for rental expenses to be a policy decision for the Board of Supervisors.

3. The request for Materials and Supplies (\$7,200) and Equipment (\$10,000) for the proposed two new limited tenure positions consists of two desks at \$1,500 each (a total of \$3,000), two workstations at \$1,500 each (a total of \$3,000), two chairs at \$400 each (a total of \$800), two client chairs at \$200 each (a total of \$400), two computers with software at \$3,500 each (a total of \$7,000) and two printers at \$1,500 each (a total of \$3,000), for a total of \$17,200 in expenses. Based on prices provided by the Purchaser's Office, the Budget Analyst recommends reducing Materials and Supplies by \$3,700, from \$7,200 to \$3,500, to provide two desks at \$750 each (a total of \$1,500), two workstations at \$500 each (a total of \$1,000), two staff chairs at \$300 each (a total of \$600) and two client chairs at \$200 each (a total of \$400). In addition, the Budget Analyst considers one printer to be adequate for two staff people. As such, the Budget Analyst also recommends reducing equipment by \$1,800, from \$10,000 to \$8,200, to provide two computers at \$3,500 each (a total of \$7,000) and one printer at \$1,200. As such, the total recommended reduction would be \$5,500.



4. According to Ms. Okubo, the Department has not developed the program details and related costs for the \$396,500 to be used for Prevention and Enforcement Programs.

5. As noted above, the requested supplemental appropriation includes two new Health Educator positions for the proposed project for a period of 17 months. Ms. Okubo advises the two new positions would be eliminated after the completion of the project. Therefore, the proposed ordinances should be amended to designate the two 2822 Health Educator positions as "L," or Limited Tenure positions.

**Recommendations:** 1. In accordance with Comment No. 2, given that the Budget Analyst questions the need for additional office space for the Tobacco Free Project, the approval of \$17,000 for rental expenses is a policy decision for the Board of Supervisors. If the requested additional space of 800 square feet is not approved, and instead, 2,121 square feet of space were occupied by the requested two new positions, this still would result in an average of 303 square feet per employee for the seven employees.

2. In accordance with Comment No. 3, amend the proposed supplemental appropriation ordinance by reducing Materials and Supplies by \$3,700, from \$7,200 to \$3,500, and Equipment by \$1,800, from \$10,000 to \$8,200, for a total reduction of \$5,500.

3. The placement of funds in the amount of \$396,500 on reserve is a policy decision for the Board of Supervisors. As noted in Comment No. 4, the DPH has not yet developed the program details and related costs for the Prevention and Enforcement Programs.

4. Amend the proposed ordinances (Files 98-140 & 98-141) by designating the requested new positions as "L," or Limited Tenure positions, in accordance with Comment No. 5.

5. Approve the proposed ordinances, as amended.



Department of Public Health  
Supplemental Appropriation  
Tobacco Settlement  
Other Current Expenses Detail

Description

Freight (eg Federal Express)	\$ 300.00
Copy Machine @ \$100/mo x 17 months x 1/2 use	850.00
Printing @ \$50/month x 17 months	850.00
Postage	300.00
Advertising	2,000.00
Other Misc - file cabinets @ \$500/cabinet x 2 cabinets	1,000.00
Other Misc - Printer toner cartridges	200.00
Other Misc - office supplies (paper, pens, etc)	500.00
Total	6,000.00

Supplemental Appropriation  
Tobacco Settlement  
Professional Services - Budget Detail  
Polaris Research & Development

1. Youth Survey

A. Baseline random phone survey of 1000 youth @ \$120/interview.	\$ 120,000
B. Survey of same 1,000 youth after the first media campaign. Includes the cost of incentives to return parental permission through the mail @ \$64.50/interview	\$ 64,500
C. Second survey of same 1,000 youth (due to attrition, estimated to be 800 out of the original 1000 youth however all 1,000 youths need to be called) after the second media wave. Includes the cost of incentives to return permission through the mail @ \$64.50/interview.	\$ 64,500
2. Focus groups (21 focus groups @ \$2,500 each will be needed).	\$ 52,500
3. Evaluation of enforcement interventions -	\$ 7,500

Enforcement:

(1) Enforcement of self service ordinance

Evaluation tasks would include working with appropriate city department personnel to develop an enforcement protocol to measure compliance, working with police to make sure monthly enforcement and compliance data is collected, and help in preparing the final report to measure whether a 90% compliance rate was achieved.

(2) Enforcement of State Penal Code 308a

Evaluation tasks would include working with appropriate city department personnel to review an enforcement protocol to measure compliance, working with police to make sure quarterly compliance data are collected, and help in analyzing data or preparing the final report if needed.

(3) Enforce outdoor advertising ban

Evaluation tasks would include working with city personnel to review an enforcement protocol to measure compliance of outdoor advertising ban, working with police to make sure quarterly compliance data are collected, and help in analyzing data and/or preparing the final report to determine whether 90% compliance rate has been achieved

Total \$ 309,000

Supplemental Appropriation  
Tobacco Settlement  
Professional Services - Budget Detail  
O'Rorke Public Relations & Advertising

1. Media placement for Wave 1 media campaign:

A. Cable Network (\$440/spot on average x 91 spots)	\$ 40,000
B. Other network programming (\$5,455/spot on average x 11 spots)	\$ 60,000
	<u>\$ 100,000</u>

2. Media placement for Wave 2 media campaign:

A. Cable networks (\$440/ spot on average x 432 spots)	\$ 190,000
B. Fox network (\$5,455/spot on average x 29 spots)	\$ 160,000
C. Other network programming (\$5,455/spot on average x 9 spots)	\$ 50,000
	<u>\$ 400,000</u>

3. Production Costs/Talent Fees

	\$ 50,000
(\$6,250/actor x 4 actors x 2 ads)	\$ 550,000
(Flat Fee - No Hourly Rates for Actors)	



Items 4 & 5 - File 98-92 and 98-106

**Department:** Public Library

**Items:** File 98-92: Supplemental appropriation ordinance appropriating \$1,225,367 and rescinding \$357,000 General Fund Books to fund salaries, professional services and equipment for the Public Library.

File 98-106: Hearing to consider release of \$5,790,967 from the Public Library budget placed on reserve during the FY 1997-98 budget process pending a report to the Finance Committee after six months by the City Librarian regarding the Public Library's staffing reorganization plan, the adoption of financial accounting and controls over Department expenditures and the status of expenditures relative to the approved budget.

<b>Amounts:</b>	<u>File 98-92:</u>	\$1,225,367
	<u>File 98-106:</u>	5,790,967
	<u>TOTAL:</u>	\$7,016,334

<b>Source of Funds:</b>	<u>File 98-92:</u>	
	General Fund Reserve	\$400,000
	Budget Incentive Reserve	114,367
	Rental Revenue	27,964
	Federal Subventions	159,700
	Book Payments	10,316
	Fines	20,764
	Postal Card Sales	10,028
	Library Events/Meeting Room Fees	125,228
	Fuhrman Gift Fund Revenue	<u>357,000</u>
	Total Supplemental Appropriation	\$1,225,367

File 98-106:  
Funds previously reserved in  
the FY 1997-98 budget of the  
Public Library \$5,790,967

**Description:** In an effort to encourage the Public Library to improve its fiscal reliability, the Board of Supervisors placed one-quarter of the Public Library's FY 1997-98 Permanent salary budget of \$23,797,352 on reserve, or a total reserve of \$5,790,967, pending a report to the Finance Committee

after six months by the new City Librarian regarding: (a) the Public Library's staffing reorganization plan; (b) the adoption of financial accounting and controls over Department expenditures; and (c) the status of expenditures relative to the approved budget. The Public Library is now requesting that the \$5,790,967 in reserved funds be released. (File 98-106)

Attachment 1 provided by the Public Library is a memo from the City Librarian, Ms. Regina Minudri, providing detailed information regarding the Public Library's proposed reorganization and its efforts to improve financial accounting and controls. (See Comment 1.)

Based on the Controller's Monthly Salary and Fringe Benefit Projection Report, as of December 26, 1997, which represents 49.7 percent of the fiscal year, the Public Library had expended 49.5 percent of its annual budget for Permanent and Temporary salaries and fringe benefits.

In addition to the requested \$5,790,967 release of reserved funds, the Public Library is also requesting a supplemental appropriation ordinance totaling \$1,225,387 (98-92), which would pay for the following expenditures:

- (1) Provide \$298,361 in funding for equipment maintenance and building maintenance (see Comment 2);
- (2) provide \$212,639 in funding to pay for Materials and Supplies for the New Main Library (see Comment 3);
- (3) correct a miscalculation in Public Library's FY 1997-98 budgeted Step M salary adjustment<sup>1</sup>, at \$600,000 for salaries and fringe benefits (see Comment 5); and
- (4) authorize \$114,367 for equipment to fund three new automated check-out machines for the New Main Library (see Comment 6).

In addition to the above expenditure requests totaling \$1,225,367 (File 98-92) and the request to release reserved funds of \$5,790,967, File 98-92 would rescind a

---

<sup>1</sup> A Step M salary adjustment is a negative balance reducing the total salary budget (which assumes all employees are compensated at Step V) by a percent to compensate for the fact that many City employees are not actually compensated at Step V.



\$357,000 General Fund allocation for books included in the FY 1997-98 Public Library budget. This General Fund allocation would be replaced by a \$357,000 allocation from the Fuhrman Gift Fund for book purchases, thereby freeing up General Fund monies of \$357,000 (see Comment 7).

**Budget:** The budget request (File 98-92) for the period of July 1, 1997 through June 30, 1998, is as follows:

<u>Personnel</u>		
Permanent Salaries (Step M Adjustment)	\$522,000	
Fringe Benefits	<u>78,000</u>	
Total Personnel		\$600,000
<u>Professional and Specialized Services</u>		
(specific cost details included in Attachment 2)		
Building Maintenance (i.e., maintenance of wiring and power systems supporting the Library's automated equipment)	6,756	
Maintenance of Data Processing Equipment	175,212	
Other Equipment Maintenance	<u>116,393</u>	
Total Professional and Specialized Services		298,361
<u>Materials and Supplies</u>		212,639
(specific cost details included in Attachment 3)		
<u>Equipment</u>		<u>114,367</u>
TOTAL BUDGET		\$1,225,367

**Comment:** 1. According to the memo (Attachment 1) from Ms. Minudri:

(a) The Public Library's reorganization plan calls for the creation of one new Assistant City Librarian and one new Chief Financial Officer, the consolidation of several managerial classes into one class, and reducing the number of management employees directly reporting to the City Librarian from ten to five. The Public Library anticipates that the two new positions will be filled as of July 1, 1998, with funds to be included in the FY 1998-99 budget.

(b) The Public Library has instituted a process to review and approve all departmental expenditures by the appropriate manager.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

(c) The Public Library (1) has upgraded its position control system, (2) is reviewing actual personnel expenditures biweekly, and (3) is holding positions vacant based on actual versus budgeted expenditure reports.

2. Ms. Sternberg advises that the Public Library purchased significant new equipment at the end of FY 1995-96 and at the start of FY 1996-97 as a result of the opening of the New Main Library in April 1996. This new equipment was purchased with one-year warranties that expired at the end of FY 1996-97. Equipment maintenance contracts were needed in FY 1997-98 to replace the equipment warranties. According to Ms. Sternberg, the costs for such equipment maintenance contracts were not included in the Public Library's budget. The costs for Equipment Maintenance and Building Maintenance total \$298,361, as detailed in Attachment 2. The Building Maintenance costs of \$6,756 include maintenance pertaining to Public Library wiring and power systems that support automated equipment, such as elevators and the MIS system. Data Processing/Word Processing Equipment Maintenance costs, at \$175,212, include contracts for computer repair, virus scanning, network maintenance, and other data processing equipment maintenance activities. Other Equipment Maintenance, at \$116,393, includes contracts for maintenance of the Public Library's security gates, cash registers, life/safety systems, security monitors, sliding doors, elevators, sprinklers and vandalism repair.

3. An additional \$212,639 is included in the proposed supplemental appropriation for Materials and Supplies, including data processing, electrical, hardware, lighting, and office supplies. These costs are itemized in Attachment 3, which was provided by the Public Library. Ms. Sternberg advises that the items listed on Attachment 3 represent the actual requirements for Materials and Supplies at the New Main Library, as identified by managers at the New Main Library. Ms. Sternberg advises that, although the Public Library's FY 1997-98 budget allocates the same amount for Materials and Supplies for the New Main Library as previously

allocated for the old Main Library, the items listed on Attachment 3 represent new needs specific to the New Main Library. The additional \$212,639 for Materials and Supplies represents a 5.2 percent increase over the previously approved Materials and Supplies amount in the Public Library's \$4,076,474 FY 1997-98 budget.

According to a memo from Ms. Sternberg (Attachment 4), the New Main Library has significantly more facilities and equipment than the old Main Library, such as 73 toilets instead of ten, 1,995 pieces of life safety equipment instead of 100, and 285 automatic windows shades and three conveyor systems instead of none. Ms. Sternberg states that \$186,948 of the total \$212,639 for Materials and Supplies would allow the Public Library to develop an inventory of spare parts for testing and minor repairs of such new Main Library equipment. An additional \$13,441 would fund computer supplies, such as printer ribbons. Finally, \$12,250 would pay for basic library supplies for the new Main Library, such as library cards and security cases for videotapes.

4. The Budget Analyst notes that, while the Public Library has made strides in controlling its personnel costs, the Department has not implemented financial controls for its non-personnel costs, such as Materials and Supplies. It is difficult to assess whether the Public Library's proposed 5.2 percent increase in the Public Library's Materials and Supplies is justified. Ms. Sternberg states that the Public Library intends to implement financial controls, such as providing budget variance reports to managers and disapproving expenditures that exceed the authorized budget, on its non-personnel expenditures before FY 1998-99.

The Budget Analyst recommends that the Public Library report to the Board of Supervisors on its efforts to implement financial controls on its non-personnel budget during the FY 1998-99 budget process. The Public Library should also provide detailed justification to the Budget Analyst for any requested increases in its Materials and Supplies budget for FY 1998-99.

5. With respect to the \$600,000 for Permanent Salaries and Fringe Benefits requested under the supplemental appropriation ordinance (File 98-92), according to Mr. Matthew Hymel of the Mayor's Office, the Public Library's FY 1997-98 budget included an error in the Step M salary adjustment. A Step M salary adjustment is a negative balance reducing the total salary budget (which initially assumes all employees are compensated at Step V) by a percent to compensate for the fact that many City employees are not actually compensated at Step V. Mr. Hymel advises that the Mayor's Office, when it prepared the Public Library's budget, budgeted the FY 1997-98 Step M adjustment at the same level as the FY 1996-97 Step M adjustment. Although typically, the Step M adjustment should be approximately the same from year to year, the Public Library hired 40 new employees in FY 1996-97, who remained on the payroll in FY 1997-98, according to Ms. Sternberg. Therefore, Mr. Hymel advises, the Step M adjustment for the Public Library for FY 1997-98 should have provided for a higher total appropriation for salaries than in FY 1996-97, since the 40 employees hired in FY 1996-97 are all receiving step increases in FY 1997-98.

According to Mr. Hymel, the intent of the Mayor's Office in establishing the Public Library's FY 1997-98 personnel budget was to allow the Public Library to maintain staffing throughout FY 1997-98 at the personnel levels that existed in May of 1997. However, the error in the Step M adjustment has forced the Public Library to hold twelve more positions vacant from July 1, 1997 to December 31, 1997 than were being held vacant in May, 1997, according to Mr. Hymel. Attachment 5, provided by Ms. Sternberg, is a memo explaining the service impacts of holding these positions vacant.

Mr. Hymel estimates that the \$600,000 allocation for Permanent Salaries and Fringe Benefits would allow the Public Library to restore staffing levels to the levels that existed in May 1997 for the remainder of the fiscal year. Ms. Sternberg advises that the Public Library would be able to fill these twelve vacancies immediately upon approval by the Board of Supervisors.

The Budget Analyst notes that the decision to maintain staffing levels at May 1997 levels was a policy decision by the Mayor. However, the FY 1997-98 budget as approved by the Board of Supervisors did not include sufficient funds for this level of staffing. Therefore, whether the Board of Supervisors should approve the remaining \$600,000 for Permanent salaries and fringe benefits to allow the Public Library to restore staffing levels to May 1997 levels for the remainder of FY 1997-98 is a policy decision for the Board of Supervisors.

6. The \$114,367 for Equipment would allow the Public Library to purchase three new automated check-out machines for the New Main Library, at a cost of approximately \$38,122 each, including the automated check-out machines themselves, three extra magnetic card swipe readers (one for each station), service maintenance for one year, networking components, and supplies. Mr. Hymel advises that these automated check-out machines would be purchased using the Budget Incentive Reserve, which is a Reserve comprised of ten percent of any General Fund surplus to be used for innovative one-time department expenditures.

The purchase price of \$38,122 was established based on price quotes provided by the 3M Corporation and the Public Library's automation vendor, Data Research Associates. Ms. Sternberg reports that Public Library users experience long lines to check out books at the New Main Library, and this proposed equipment would help shorten check-out lines. Currently, the New Main Library has no automated check-out machines. Therefore, this request represents an enhanced service.

7. The Fuhrman Gift Fund is a bequest that provides up to \$350,000 per year to the Public Library for the exclusive purpose of purchasing books on economic and political subjects. The proposed supplemental appropriation would rescind a \$357,000 General Fund allocation for book purchases to free up General Fund revenues and instead allocate \$357,000 from the Fuhrman Gift Fund. Although the Fuhrman Gift Fund provides up to \$350,000 per year to the Public Library, or a total of \$700,000 for both FY 1996-97 and FY 1997-98,



only a total of \$250,000 in Fuhrman Gift Fund revenues was included in the Public Library's budget for both FY 1996-97 and FY 1997-98. The supplemental appropriation ordinance would rescind the General Fund \$357,000 allocation of \$357,000 and instead allocate \$357,000 in Fuhrman Gift Funds.

Including the \$250,000 allocated for FY 1996-97 and FY 1997-98 and the proposed \$357,000 allocation, a total of \$607,000 would be allocated from the Fuhrman Gift Fund, or \$93,000 less than the potential allocation of \$700,000. The reason for this \$93,000 shortfall in revenues is that the Public Library has been unable to document the purchase of \$700,000 in purchases of books on political and economic subjects, which are the subjects named in the Fuhrman Bequest. The Public Library has provided a memo, Attachment 6, confirming their inability to document the full \$700,000 in purchases of books on economic and political subjects for FY 1996-97 and FY 1997-98.

8. The official title of the proposed supplemental appropriation indicates that the amount of the supplemental appropriation request is \$1,582,367. Since the amount of the supplemental appropriation request is actually \$1,225,367, and this amount is accurately reflected in the body of the proposed legislation, the title of the supplemental appropriation request should be amended to correct this error.

**Recommendations:**

1. Release the \$5,790,967 on reserve (File 98-106).
2. Approval of \$600,000 in Permanent salaries and fringe benefits, which would allow the Public Library to restore staffing to May 1997 levels, a level which was not approved by the Board of Supervisors when the Board adopted the FY 1997-98 budget for the Public Library, is a policy decision for the Board of Supervisors (File 98-92).
3. Approval of the \$114,367 in Equipment Purchases, which would allow the Public Library to purchase three automated check-out machines for the New Main Library, thereby enhancing services, is a policy decision for the Board of Supervisors (File 98-92).



4. The Board of Supervisors approved a FY 1997-98 budget appropriation of \$4,076,474 in Materials and Supplies for the Public Library. The Budget Analyst finds it difficult to assess whether the requested additional \$212,639, a 5.2 percent increase, is justified. Therefore, approval of \$212,639 in Materials and Supplies is a policy decision for the Board of Supervisors (File 98-92).

5. Amend the title of the proposed supplemental appropriation to reflect the correct amount of \$1,225,367 instead of \$1,582,367 (File 98-92).

6. Require the Public Library to report to the Board of Supervisors on its efforts to institute financial controls for its non-personnel budget during the FY 1998-99 budget process (File 98-92).



## SAN FRANCISCO PUBLIC LIBRARY

ACCESS. DISCOVER. EMPower.

January 15, 1998

Mr. John Taylor  
Clerk of the San Francisco Board of Supervisors  
401 Van Ness Ave. Room 308  
San Francisco, CA 94102

Dear Mr. Taylor:

Following is a request for release of the appropriate reserve funds held from the 1997/98 Public Library budget. The total amount requested for release is \$5,790,967

During the FY 1997-98 budget process, the Finance Committee recommended reserves totaling \$6,179,967 in the Library's budget. A total of \$5,790,967, representing one-fourth of the Department's Permanent Salary funds, was reserved pending a report to the Finance Committee by the new City Librarian regarding the Library's staffing reorganization plan, the adoption of financial accounting and controls over Department expenditures and the status of expenditures relative to the approved budget. I will address each of these issues in this letter and in the attached Six Month Expenditure Report.

It is now approximately five months since I came to the Library as City Librarian. I accepted this appointment on a temporary basis, and will serve until a permanent City Librarian is appointed by Mayor Brown. During this time, I have reviewed the Library's budget in detail, have reviewed authorized appropriate purchases, and am finalizing the search for Chief Financial Officer for the Library. In addition, I have visited all branch libraries and Main Library units, familiarizing myself with the operations and programs of the Public Library.

#### Reorganization Plan

The following proposed reorganization will take place once the release of reserved funds and the supplemental appropriation that is also pending before the Board of Supervisors have been approved.

1. The position of Assistant City Librarian will be revived, as recommended in the April, 1997 Strategic Audit. This position will supervise and direct all direct public services at the San Francisco Public Library.
2. The position of Chief Financial Officer will be created, also as recommended in the April, 1997 Strategic Audit. This position will supervise and direct all non-library related activities, such as finance and operations.

3. Several managerial classes will be consolidated into one class, tentatively titled Librarian IV. These positions will supervise and direct the Main Library, the Branch Libraries, Technical Services/Automation, Services to Children and Youth, Community Relations, and Services to Adults. I recommend this consolidation based on my analysis of Library management. This change is also consistent with the Citywide policy regarding classification consolidation.

4. The number of direct reports to the City Librarian will be reduced. Currently, ten managers report to the City Librarian. Under the reorganization, five will report to the City Librarian. They include: (1) Assistant City Librarian, (2) Chief Financial Officer, (3) Community Relations, (4) Personnel and (5) Technical Services/Automation.

#### Financial Accounting and Controls over Department Expenditures

1. All departmental expenditures are reviewed by the appropriate manager before ordering. Expenditures are not authorized without accompanying verification of available funds.

2. The Personnel Office is upgrading the position control system, using an Access data base until implementation of the Citywide personnel system. No new personnel are hired unless funding is available for the position. Vacant positions are reviewed for need and relevancy. Expenditure reports are produced biweekly to monitor personnel expenditures, and are reviewed biweekly by the Personnel Manager.

#### Expenditures Relative to the Approved Budget

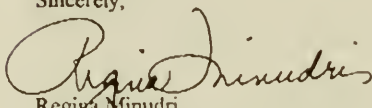
I am pleased to be able to report to the Board of Supervisors that the six month FAMIS reports show that the library is right on target with personnel expenditures. As shown on the attached Six Month Expenditure Report prepared by my office using data provided by the Controller, the Library expended 49 percent of the approved FY 1997-98 budget for personnel during the first six months of the fiscal year. (I have also attached a copy of the Controller's Salary and Fringe Benefit Projection Report, dated January 2, 1998.) We were able to maintain personnel expenditures within budgeted parameters despite the fact that the approved budget understates the number of people at higher salary steps through the Step M adjustment. The only way to accomplish this was to hold positions vacant longer than would otherwise have been necessary or desirable.

We have requested a supplemental appropriation, which we hope will be considered by the Finance Committee along with this request for release of reserved funds, to correct the Step M adjustment budgeted for the Library, implement recommendations contained in the Strategic Audit, and fund several maintenance agreements that were not funded in the current budget. I wish to emphasize that the need for a supplemental appropriation is not the result of overspending on the part of the Library. Rather, it will correct omissions to the approved budget. We have carefully monitored personnel expenditures and have not exceeded budgeted personnel expenditure levels in FY 1997-98.

The Six Month Expenditure Report projects personnel costs for the remainder of the year, taking January 1, 1998 MOU increases into account. The Step M adjustment included in the request for a supplemental appropriation will provide the Library with sufficient salary funding to meet all current wage and benefit obligations, and to fill vacant, authorized positions in the Branches and the Main Library that need to be staffed in order to provide appropriate levels of service to Library patrons.

I respectfully request that the Finance Committee release the Public Library's appropriated reserves in the amount of \$5,790,967.

Sincerely,



Regina Minudri  
City Librarian

Attachment 2

page 1 of 1

SFPL

797-98 BUDGET

## Budget Worksheet-Maintenance Agreement/Contracts

Sub-Object	Title	System/Equipment Item Detail	Estimated Cost	Approved Budget	Difference
02899	Other Building Maint. Svcs				
		Uninterruptible Power Sys.(UPS), Stationary Battery Sys. and Air Unit(1 ieberth-\$9,684/Intelli-Tech-\$9,800)	\$9,890		
		Max=9890 /Environment 1 - Intelli-Tech	\$720		
		MIS Access floor clean & total tax on svcs	<u>\$1,146</u>		
			\$11,756	\$5,000	(\$6,756)
02911	DP/WP Equipment Maint.				
		Advance Computer repair	\$10,000		
		Graybar	\$5,000		
		Ciber Networking	\$5,000		
		DRA maintenance	\$74,648		
		DEC maintenance	\$85,106		
		DRAnd	\$12,000		
		DTIS Telephone switch	\$119,163		
		Internd	\$9,600		
		McAfee VirusScan	\$760		
		Meridian Towers	\$3,242		
		Microwest(Formerly Logitrail)	\$10,839		
		Networking Dynamics	\$3,458		
		Trindign Tech (FutureArts)	<u>\$13,300</u>		
			\$352,116	\$176,904	(\$175,212)
02999	Other Equip Maintenance				
		3M Security Gate	\$4,238		
		Canon DMP 100	\$9,500		
		IKON	\$4,254		
		Lah for the Blind Database-home access	\$5,000		
		Pacific Cash Register Maint.	<u>\$250</u>		
			\$23,242	\$10,000	(\$13,242)
		Corbous Pyrotechnics-Life Safety	\$40,000		
		Sniplex Fire/Ile Safety system at Chinatown	\$1,250		
		Quantum-Conveyor System	\$10,000		
		DTIS-security monitors linkage	\$5,000		
		Cummins	\$9,800		
		International Fire	\$5,000		
		Stanley Doors-Sliding Door Maint	\$4,200		
		Cookson Doors-Maint for coiling, rolling, fire doors	\$31,921		
		Superior Sprinkler-Fale 19-qety inspections-sprinkl	\$9,980		
		Montgomery Kuno-warranty elevator maint.	\$12,000		
		Imperial Elevator-vandalism repairs at brandies	\$1,500		
		Aqua/Garrett water treatment	\$8,500		
		Card Key System	\$4,000		
		Yamas Bldg. Mgmt System	\$9,500		
			\$152,651	\$49,500	(\$103,151)
		Total Maintenance Contracts	\$539,765	\$241,404	(\$298,361)

## SFPL

FY 97-98 BUDGET

## Budget Worksheet-Supplies, Parts, Materials

<u>Sub</u>	<u>Object</u>	<u>Title</u>	<u>Supplies/Parts/Items/Detail</u>	<u>Estimated Cost</u>	<u>Approved Budget</u>	<u>Adjustments</u>
02803	Pest Control	Main/branches		7,000	\$5,000	(\$2,000)
02931	Office Equip Maintenance	Toner for BMI R/P		\$1,000	\$3,000	(\$1,000)
02999	Other Equip. Maint.	(offset other costs)		\$0	\$1,000	\$1,000
03199	Other Equip. Rentals	(offset other costs)		\$0	\$3,600	\$3,600
04281	Small Tools/Instruments	(offset other costs)		\$0	\$1,000	\$1,000
04399	Other Eq	Cables, commotes, hard drives, cards, parts, manuals, hardware upgrades, 10 GB additional memory for Repository Ext. pr		\$18,000	\$29,000	\$11,000
04921	Data Processing Supplies					
		Printer ribbons, cartridges, disks, software upgrades, petty ca		\$61,867	\$48,426	(\$13,441)
		Printer Labels		\$325		
		Cleaner, ribbons, tapes, headsets, etc		\$6,000		
		SF Micro		\$15,000		
		Office Depot		\$3,230		
		Deaf services supplies		\$100		
				\$24,655	\$4,000	(\$20,655)
04000	Materials & Supplies Budget (See Room)			\$38,000	\$30,000	(\$8,000)
04211	Electrical			\$27,500	\$12,500	(\$15,000)
04221	Hardware			\$7,500	\$5,000	(\$2,500)
04231	Lighting			\$60,000	\$40,000	(\$20,000)
04241	Lumber			\$14,000	\$9,000	(\$5,000)
04281	Small tools and Instruments-Hand/HVAC			\$7,500	\$5,500	(\$2,000)
04299	Other Building Maint. Supplies			\$120,000	\$55,000	(\$65,000)
04599	Other Safety Expenses-Security supplies			\$1,500	\$0	(\$1,500)
04799	Fuels/Lubricants			\$4,000	\$3,000	(\$1,000)
04951	Other Office Supplies (offset to 04999)			\$4,653	\$15,000	\$10,347
04999	Other Materials & Supplies					
		Test equipment, small tools, equip under \$1,000, fax mach		\$23,250	\$3,250	(\$20,000)
		light para-gun controllers				
		Other materials/supplies (Automation Svcs)		\$17,500	\$0	(\$17,500)
		Cover Morehead software update		\$4,500	\$1,700	(\$2,800)
		Intercom test equip/light guns		\$10,000	\$0	(\$10,000)
		Scanners (2)		\$3,472	\$0	(\$3,472)
		ADA (keyboards, etc.)		\$1,250	\$0	(\$1,250)
		Acid Free Storage		\$2,278	\$0	(\$2,278)
		Audio Cassette Cases		\$420	\$0	(\$420)
		Book Truck (JLL)		\$350	\$0	(\$350)
		Depressible Book Bin for Book Drops		\$1,200	\$0	(\$1,200)
		Document Storage Cabinet		\$1,540	\$0	(\$1,540)
		Fax Machine (Deaf Services)		\$400	\$0	(\$400)
		Printer (Deaf Services)		\$340	\$0	(\$340)
		Security Cases		\$1,000	\$0	(\$1,000)
		Total Supplies, Materials, and Parts Costs		\$487,675	\$275,036	(\$212,639)



To: Karen Sikkenga, Budget Analyst  
From: Eve Sternberg, San Francisco Public Library  
Date: January 28, 1998  
Re: Supplies, Parts and Materials Request

The Public Library is requesting \$212,639 in additional funding for supplies, parts and materials. These funds will be used by our Operations and Maintenance, Automation and Main Library Divisions to service basic operational needs at the New Main Library. Obviously, under normal circumstances such funding should have been requested during the FY 1997-98 budget process. However, as you are aware, the Library's FY 1997-98 budget provided no increases whatsoever in these line items over FY 1996-97 levels. Again, under normal circumstances this would require some belt tightening but might not present a serious problem. But the FY 1996-97 budget was the first budget that included operations for the New Main Library. Unfortunately, the FY 1996-97 non-personnel portion of the Library's budget assumed erroneously that costs would be essentially the same in the New Main as they had been in the old Main Library. This far from accurate assumption has now been built into the FY 1997-98 budget.

The New Main Library is larger than the Old Main. For example, the old Main had three elevators, while the New Main has seven elevators. The old Main had 10 toilets, while the New Main has 73 toilets. The New Main also has automated building systems that were not present in the old Main. The old Main had 100 pieces of fire/life safety equipment and monitoring, while the New Main has 1,995. The New Main also has an HVAC system that was not present in the old Main, as well as 285 automatic window shades and three conveyor systems to carry books vertically from floor to floor. This is a partial list of the many system enhancements at the New Main Library. These systems provide safety and improved service to the public, but the Library has to fund spare parts, tools, etc. to keep them working.

Our maintenance contracts have been designed to minimize costs by contracting out only major repairs, and conducting all other repairs in-house. The FY 1996-97 budget did not provide funding to develop an inventory of spare parts, so that testing and repairs can be completed without undue interruption of service to the public. This lack of funding for our stockroom, electrical, hardware, lighting, lumber, small tools and other building maintenance and security supplies was continued in the FY 1997-98 budget, because no changes were permitted. Our current request, which totals \$186,948 in various sub-objects, is designed to partially rectify this situation, focusing exclusively on those supplies, parts and materials without which we cannot function.

In the area of data supplies, where we are requesting \$13,441, the entire Library system has, over the past two years, shifted to a higher level of computer networking equipment

for the online catalog, book ordering, etc. The Library budgets over this time period have funded such equipment purchase, but not the many supplies that are required to make the equipment functional. Our request includes funding for items such as printer ribbons and cartridges which should have been budgeted with the equipment.

Finally, our supplies, parts and materials request includes \$12,250 in materials and supplies for the Main Library, for items such as purchase of Library Cards and Security Cases for videotapes. Again, the budget for materials and supplies does not reflect the reality of significantly increased circulation at the New Main.

In summary, the portion of our supplemental appropriation request that involves supplies, parts and materials is needed because the New Main Library has significantly higher actual costs in these areas, that have never been included in the budget of the Public Library. We appreciate your consideration of this urgent request.



## MEMORANDUM

January 28, 1998

**TO:** Eve Sternberg,  
Finance

**FR:** Diana Buchbinder,  
Personnel Manager

**RE:** Effects of Attrition Savings on Library Staffing

Below is the information we discussed in explanation and support of the supplemental request currently in process. I hope this provides the information which you require.

In the budget for this current year there are 572.25 FTE positions approved. The attrition savings imposed upon the library is equal to 24.18 FTE's, or 4.1% of the total operating positions. In addition to holding this number of positions vacant, there are 23.32 FTE vacancies as of the pay period ending 1/9/98, creating a total of 47.50 vacancies from the total. This amounts to a vacancy rate of 8.3 percent, more than twice the vacancy rate required to achieve salary savings. The 8.3% number reflects only those true vacancies for which a position is not encumbered. In addition, a rolling number of vacancies are created at any time within the Library system by both long term absences of employees related to worker's compensation, sick leave, and catastrophic illness, currently totaling 10 employees, and by short term absences created by staff illness and vacations. What is critical is that, with the current vacancy rate, the library has to staff 28 worksites over 1,172 open hours system wide, including predetermined programming. These vacancies are not a result of natural turnover. They have been intentionally held vacant by my office in order to avoid exceeded budgeted salary levels.

The effects of the vacancies and the absences are felt acutely by public service divisions of the Library who must meet the service and hour obligations of the

system independent of the vacancy rate. Some examples of the service deficits created by the inability to fill vacant positions in the Main and Branches are as follows:

**MAIN:** In the Main Children's department there has been a vacant Librarian 2 for the entire fiscal year to date. This position leads school tours and provides children's programming for the Main Library children's community in the Tenderloin. This vacancy has meant a significant reduction in the ability of the Children's Center to schedule school tours in a timely fashion, and to provide timely programming to the schools in the Civic Center area. The Music Librarian position which oversees the music collection in the Main Library has been also held vacant for the entire fiscal year to date. This position provides music reference and oversees the public aspect of the music collection, a major program of the Main. The lack of this position means a reduction in reference service for the music collection of 40 hours per week. Lastly, the Librarian 2 which heads the public training on the online catalog system and manages all first stop reference services has also been held vacant. The service impact of this vacancy is a reduction in the ability of the public to receive adequate reference assistance, and results in a number of reference phone calls either going unanswered or not responded to for several days.

**BRANCHES:** The branch manager position, a Librarian 2, for Parkside has been held vacant. To compensate for this vacancy the children's librarian has been acting in that capacity. The effect has been that there is no steady source of children's or adult reference services and that the children's tours and programming has been reduced to allow the staff member to function in two capacities. At the Oceanview branch the loss of the branch manager, a Librarian 2, has one part time Librarian 2 providing service to that community. The impact of this vacancy has been to limit the level of both outreach and children's services to the community that can be performed by the professional staff, as their services are required within the library to provide service to the patrons who are there. The Chinatown branch, the busiest in the system, has been without a children's librarian since last year, and experiences the resultant loss in service to the community because of this vacancy. Finally the Mission branch has three vacancies in the professional library series, preventing community access to library services, programming and school site visits.

Attachment 6  
page 1 of 1



To: Board of Supervisors Budget Analyst

From: Regina Minudri *rum*  
City Librarian

Date: January 31, 1998

Re: Response to Question

Why did the library did not request full funding from Furman, in fy 96/97?

Response:

During budget preparation for fy96/97 the library was in turmoil. Unfortunately, it appears that due to an error at some level in the organization only \$125,000 was requested instead of the \$350,000 usually available. Staff selected and ordered Furman-eligible materials in 1996/97, up to a total of \$257,000. This supplemental appropriation will reimburse the General Fund for the balance of \$132,000 that was not originally budgeted in fy96/97.

The potentially available \$93,000 in the Furman Fund was not expended due to the confusion and turmoil in library administration and finances at that time.

I can assure you that during fy97/98 and 98/99 the library will fully expend the \$350,000 Furman Fund revenues on material appropriate to that fund.





Item 6 -File 172-97-19

**Note:** This item was continued by the Finance Committee at its meeting of January 21, 1998.

**Department:** Department of Public Transportation  
Port Commission

**Item:** Ordinance approving the Third Amendment to the Advertising Transit Shelter Agreement by and between the City and County of San Francisco, (through the Department of Public Transportation and the Port Commission), and Outdoor Systems, Inc. to maintain MUNI Metro extension and F-Line boarding platforms in exchange for advertising on the platforms and to expand the transit shelter program.

**Description:** In June of 1987, the Board of Supervisors approved an Agreement (Agreement) (Ordinance No. 208-87) between Gannett Outdoor Company, Inc. of Northern California and the City for the period from June of 1987 until June of 2002 (15 years) for the placement and maintenance of commercial and noncommercial transit shelters throughout San Francisco. A commercial transit shelter is a shelter which displays commercial advertising for profit, while a noncommercial transit shelter contains no displays and are primarily located in residential neighborhoods.

On January 5, 1990, the City approved the First Amendment to the Agreement, which added the Market Street shelters to the Agreement. On March 12, 1991, the City approved an assignment of the Agreement from Gannett to Combined Communications Corporation (CCC), due to the acquisition of Gannett by CCC.

On November 18, 1994, the City approved the Second Amendment to the Agreement, which (1) required CCC to maintain the high-level boarding platform on 19th Avenue at Stonestown in exchange for permitting CCC to place advertising on that platform, and (2) permitted CCC to place advertising kiosks on Upper Market Street in conjunction with the shelters on the median boarding islands.

On January 3, 1997, the Board of Supervisors approved the assignment of the Agreement from CCC to Outdoor

Systems, Inc., due to acquisition of CCC by Outdoor Systems, Inc.

On January 31, 1997, the Board of Supervisors approved an amendment to the General Plan (File 271-96-4) and Planning Code Section 603(j) (File 115-96-8) to allow commercial advertising on transit shelter boarding platforms on the Embarcadero and at Fisherman's Wharf. At that time, the Board also approved a negative declaration under the California Environmental Quality Act (CEQA) covering the expansion of the transit shelter program (File 115-96-8.2).

This proposed ordinance would approve the Third Amendment to the Agreement. The proposed Amendment contains the following major provisions:

(1) The Port Commission would grant the Public Transportation Commission the right to erect City-owned transit shelters for public transit purposes on the MUNI Metro Extension (MMX) Line, which will extend from the Embarcadero Station to King Street and the F-Line platforms, which will extend from the Embarcadero Station to Fisherman's Wharf. Under the proposed Agreement, the Port Commission would grant Outdoor Systems, Inc. the exclusive right to maintain all of these new MMX and F-Line advertising shelters on Port property. The Port would retain various specific approval rights, relocation options, indemnity protections and remedies if Outdoor Systems, Inc. should default.

(2) The City will construct four MMX platforms or transit stations, along the South Embarcadero and King Streets. Outdoor Systems, Inc. will: (a) contribute an average of up to \$45,000 toward construction of the shelter amenities (seating, trash receptacles, advertising display panels, MUNI map and information displays, etc.) on each of the four MMX platforms, or a total one-time maximum contribution of \$180,000; (b) be permitted to advertise on the high-level boarding platforms on the MMX line; and (c) will assume maintenance and repair responsibilities for these MMX shelters and amenities.

(3) The City will construct up to 22 stops on median boarding islands along the F-Line on the North

Embarcadero and Fisherman's Wharf. Outdoor Systems, Inc. will (a) contribute a minimum of \$14,000 toward the cost of constructing each of the up to 22 shelters, or a contribution of approximately \$308,000; (b) be permitted to advertise on the median boarding islands' shelters; and (c) will assume maintenance and repair responsibilities for these F-Line shelters and amenities.

(4) According to Mr. Lew Lillian of Outdoor Systems, Inc, the current contract requires a minimum of 800 transit shelters and a maximum of 1,000. There are presently approximately 1,000 transit shelters installed throughout the City. The minimum number of transit shelters throughout the City would increase from 800 to 1,100 and the maximum number of shelters would expand from 1,000 to 1,250, if this Amendment is approved. Outdoor Systems, Inc. must install the 1,100 minimum shelters, (or 100 more shelters than currently installed) within one year of approval of this Third Amendment. According to Mr. Peter Straus of MUNI, the Agreement with Outdoor Systems, Inc. was developed to encourage Outdoor Systems, Inc. to provide the maximum number of transit shelters, by providing additional advertising revenue opportunities to Outdoor Systems, Inc, which in turn provides additional transit shelter capital and maintenance services to the City.

(5) The City would grant to Outdoor Systems, Inc. the exclusive right to erect and maintain kiosks containing advertising, in conjunction with specific transit shelters, for which physical limitations preclude advertising on the boarding islands. Outdoor Systems would be limited to a maximum total of 150 kiosks. It is estimated that Outdoor Systems currently has 34 kiosks, located primarily on Market Street, according to Mr. Lillian.

(6) Under the proposed Agreement, beginning June 10, 1997, for every additional shelter constructed over the current 1,000 shelters, the Public Transportation Commission will receive from Outdoor Systems, Inc. approximately \$200 annually (See Comment No. 7 below). According to Ms. Robin Reitzes of the City Attorney's Office, although the date of June 10, 1997 is included in the proposed Agreement, the proposed ordinance does not need to be retroactive to that date because Outdoor

Systems, Inc. cannot install more than the current maximum of 1,000 shelters and the City can therefore not receive any additional payments until the proposed ordinance is approved by the Board of Supervisors and the Mayor. These increased annual payments may continue to be used to cover MUNI's administrative costs to administer this contract. A new provision would also enable the Public Transportation Commission to use these revenues to support bus stop maintenance, sign programs or related programs to enhance MUNI patrons' convenience. According to Mr. Straus, in Fiscal Year 1996-97, MUNI received approximately \$100,000 in revenue from the transit shelters from Outdoor Systems, Inc., which Mr. Straus reports is approximately the ongoing cost to administer this contract (See Comment No. 7 for additional breakdown of these revenues).

(7) Outdoor Systems, Inc. would also pay to MUNI the following amounts annually for MUNI's marketing purposes, including but not limited to advertising, public relations and promotion of MUNI to the public and to news media organizations:

<u>Contract Years</u>	<u>Annual Amount</u>
1997-98 through 2001-02	\$100,000
2002-03 through 2004-05	125,000
2005-06 through 2006-07	150,000

(8) Outdoor Systems, Inc. has agreed to prohibit all tobacco advertising for all shelters and kiosks effective 120 days after approval of the Third Amendment, to limit alcohol advertising to a maximum of ten percent of available advertising on the MMX and F-Line shelters, to prohibit alcohol advertising in the vicinity of schools and to negotiate with community groups in the South Bayshore to restrict alcohol advertising there. Currently, Outdoor Systems, Inc. has no restrictions on tobacco or alcohol advertising. It should be noted that the Board of Supervisors recently approved a prohibition on tobacco advertising in San Francisco (File 121-95-10), which becomes effective in six months.



(9) At least twice a year, Outdoor Systems, Inc. will design, furnish and install at least 30 posters as part of a public service campaign to promote the Port, its tenants and special events. Each public service campaign will be installed on available space in the City and Bay Area advertising shelters, with the majority of the posters placed within the City. Each of the two public service campaigns would last at least four weeks. Mr. Lew Lillian of Outdoor Systems, Inc. estimates that the cost to Outdoor Systems to provide these public service campaigns for the Port is approximately \$40,000 per year.

(10) At MUNI's request, pay telephones in the shelters will be equipped with free programmed single-key access to MUNI's passenger information lines and the maximum number of telephones in shelters City-wide will increase from 300 to 400 by June 30, 1998. According to Mr. Jake Szeto of the Department of Public Works (DPW), Outdoor Systems, Inc. has an agreement with Pacific Bell, through which Pacific Bell pays the City 20 percent of total revenues or \$50 per month for each telephone, whichever is greater. Mr. Szeto reports that Pacific Bell will pay the City approximately \$200,000 in FY 1997-98, based on the revenues from the approximately 300 telephones in these transit shelters. Based on the proposed additional maximum of 100 telephones, Mr. Szeto reports that the City will receive a minimum of an additional \$60,000 (100 telephones x \$50 per month x 12 months) annually.

(11) As under the current Agreement, provided that there is available space and Outdoor Systems, Inc. obtains approval from Hetch Hetchy's Bureau of Light, Heat and Power, Outdoor Systems, Inc. may continue to use City-owned street lighting conduit. Under this arrangement, Outdoor Systems, Inc. will continue to pay Pacific Gas & Electric (PG&E) for electric power, but may avoid unnecessary trenching and patching of streets to access the necessary conduit, which would be a benefit to both Outdoor Systems, Inc. and the City. Outdoor Systems, Inc. will also install sufficient conduit to make all new, illuminated shelters capable for installation of infrared transmitters (i.e., Talking Signs) that provide transit information to the blind. Outdoor Systems, Inc. would supply \$5,000 worth of such transmitters to the City each year, perform installation and maintenance on these

transmitters and any others that the City might obtain from other sources and assume the associated costs of electricity for operation of the transmitters.

(12) A new provision states that within 30 days of the execution of this Agreement, Outdoor Systems will provide the Mayor's Office with a one-time \$50,000 payment, which the Mayor's Office shall use for the benefit of the City. According to Mr. Steve Kawa of the Mayor's Office, the intended use for the \$50,000 one-time payment from Outdoor Systems would be for the Mayor's Homeless Fund, Youth Fund or Summer Employment Youth Fund. According to Mr. Ed Harrington of the Controller's Office, the proposed \$50,000 one-time payment would be subject to the Board of Supervisors approval.

(13) The Agreement is scheduled to expire in June of 2002. The Agreement would be extended approximately five years (until June 9, 2007). However, beginning the 15th year of the Agreement (or in May, 2002), the City has two options to terminate the Agreement by (1) giving Outdoor Systems, Inc. one year's notice and paying Outdoor Systems, Inc. the unamortized costs of the shelters, kiosks and equipment; or (2) if the City has contracted with another contractor to provide coordinated street furniture, to give one year's notice of termination to Outdoor Systems and assign this transit shelter Agreement to the coordinated street furniture contractor, provided that the street furniture contractor pays Outdoor Systems the unamortized costs of the shelters, kiosks and equipment and the capital contribution less depreciation of the construction of the MMX and F-Line shelters. As stated in the proposed Agreement, Outdoor Systems would be able to compete on a non-preferential basis in any future selection process for a coordinated street furniture contractor. According to Mr. Jim Lowe' of the Public Transportation Department, and confirmed by Mr. Lillian, a rough estimate of the cost to the City to fulfill the first option, if the Agreement were terminated in 2002, could be upwards of several million dollars.

(14) The City will negotiate with Outdoor Systems, Inc. regarding any future program for the construction, maintenance and repair of any transit shelters and



boarding platforms planned for the Third Street light rail line, in exchange for advertising on these platforms and shelters.

**Comments:**

1. The current Agreement specifies that Outdoor Systems, Inc. will provide and maintain one noncommercial bus shelter for every two commercial bus shelters. Therefore, according to Mr. Lowe, of the total 1,000 existing bus shelters currently in the City, 667 have advertising on the sides of the bus shelters and 333 are non-commercial bus shelters. Under the proposed Third Amendment, this same ratio of two commercial shelters to one noncommercial shelter would be maintained. Therefore, of the total maximum of 1,250 bus shelters, 834 would have advertising and the remaining 416 would be non-commercial bus shelters.

2. Outdoor Systems, Inc. would indemnify the City for all injuries and damages resulting from the work under the proposed amended Agreement. Under the current Agreement, Outdoor Systems, Inc. maintains a \$350,000 letter of credit. Under the proposed Amendment, Outdoor Systems will have to deliver a \$500,000 performance bond to support construction and maintenance of the additional shelters and maintain an additional \$500,000 letter of credit. Ms. Reitzes reports that the letter of credit was increased due to the additional shelters and increased maintenance for which Outdoor Systems, Inc. will be responsible.

3. In accordance with the proposed Amendment, Outdoor Systems, Inc. would be permitted to display advertising on both sides of each double-sided freestanding display case on the MMX platform. No advertising could exceed 24 square feet, or six feet in height and four feet in width. The Port will have a right of first refusal for any unsold advertising space on the MMX platforms, for use for information and public service announcements, at no additional cost to the Port.

4. For all existing and new transit shelters, including the F-Line shelters, the proposed Amendment would continue the current provisions, which limit Outdoor Systems, Inc. to using the side wall furthest from approaching transit vehicles, the back panel or outside side wall to display

their advertising material. These requirements are intended to conform to the final design for the Waterfront Transportation Project. Unless authorized in advance by the Director of Public Transportation in writing, Outdoor Systems, Inc. would not be permitted to display advertising on the end wall closest to the approaching transit vehicle. No advertising panel could exceed 24 square feet, or six feet in height and four feet in width.

All of the existing and new 3-sided kiosks must be located no more than 50 feet from the associated transit shelter. The two street-facing sides of the kiosk may display commercial advertising, while the side of the kiosk facing away from the street is not permitted to contain commercial advertising.

5. Under the proposed Amendment, the Port Commission would determine which sites along the F-line on the North Embarcadero and Fisherman's Wharf would be available for commercial advertising. The exact number of shelters has not yet been determined, although Mr. Lowe reports that there would be a maximum of 22 shelters.

6. Under the current Agreement, the City does not receive any direct advertising revenues from the bus shelter Agreement. Instead, Outdoor Systems, Inc. is responsible for installing and maintaining the bus shelters in exchange for receiving all of the advertising revenues.

7. However, under the current provisions of the Agreement, Outdoor Systems, Inc. pays the City a base payment of \$150,000, indexed annually to increase with changes in the CPI index. As a result, the City currently receives approximately \$200,000 annually. Given that there are currently 1,000 shelters, the City receives approximately \$200 per shelter per year.

Under the proposed provisions, the base payment of \$150,000, adjusted by the CPI (currently \$200,000) would then be divided by the number of transit shelters (currently 1,000) and then multiplied by the actual number of shelters (proposed to increase to a maximum of 1,250). Under these new provisions, if all 1,250 transit shelters were currently installed, the City would receive

\$250,000, based on approximately \$200 per shelter, or \$50,000 more than the current Agreement provides.

These annual revenues are currently divided equally between the Municipal Railway and the Art Commission's Youth Art Fund. Under the proposed Amendment, the Art Commission would continue to receive one-half of the current amount, adjusted by the CPI. The Municipal Railway would receive the current amount, adjusted by the CPI, plus the incremental increase as a result of the new formula. Therefore, as in the example above, the City received \$250,000, the Art Commission would receive \$100,000 (the same amount that they currently receive) and the Municipal Railway would receive \$150,000. In addition, as part of a prior amendment for the Market Street transit shelters, the Art Commission's Market Street Art Maintenance Fund receives approximately an additional \$70,000 annually from Outdoor Systems, Inc.

8. The maintenance services to be provided by Outdoor Systems, Inc. would include (a) trash pick-up, (b) replacement of defective lights and broken glass, (c) cleaning and washing of each transit shelter and (d) removal of all graffiti, stickers, posters, litter, dust, dirt and weeds from each transit shelter and from a five foot radius surrounding the shelter. Mr. Lillian reports that Outdoor Systems, Inc. currently expends approximately \$1.0 million annually for maintenance. Under the proposed Agreement, Mr. Lillian estimates that Outdoor Systems, Inc. annual maintenance costs will be approximately \$1.2 million.

9. Mr. Steve Kawa of the Mayor's Office reports that, as part of the proposed Third Amendment to the Agreement, Outdoor Systems, Inc. has agreed to provide 125 trash receptacles in FY 1997-98 and an additional 125 trash receptacles in FY 1998-99. These trash receptacles would be located throughout the City, as determined by the Director of the Department of Public Works. Ms. Reitzes reports that the City Attorney's Office has prepared revisions to the Third Amendment to reflect these changes. Mr. Lillian reports that the cost per trash receptacle is \$300, such that this additional provision will result in an additional one-time benefit of \$75,000 (250 trash receptacles x \$300 per receptacle) to the City.

10. In addition, Ms. Reitzes reports that she has prepared another revision to the proposed Third Amendment to state that it is the City's intention to conduct demonstration projects involving the use of Global Positioning System (GPS) technologies in order to provide MUNI patrons with "real time" transit information at various transit stops. The proposed Third Amendment would require Outdoor Systems, Inc. to participate in the City's GPS demonstration project by entering into subsequent agreements with the vendors that will provide the GPS technology to allow such GPS equipment at various transit shelters. Outdoor Systems would be responsible for cleaning, graffiti removal and other basic routine maintenance of the GPS equipment. However, Outdoor Systems would not be responsible for purchasing, installing, operating, repairing or replacing any of the GPS equipment. As stated in the proposed Third Amendment, the City may permit Outdoor Systems to advertise on the information displays, which would be part of the GPS demonstration project, although Ms. Reitzes reports that such advertising arrangements would be subject to separate City approval.

11. In summary, the proposed Third Amendment to the Outdoor Systems, Inc. Agreement to expand the transit shelter program would result in the following one-time and annual revenues to the City:

One-time Revenues

\$180,000	One-time contribution by Outdoor Systems for construction costs for MMX shelters
\$308,000	One-time contribution by Outdoor Systems for construction costs for F-Line shelters
<u>50,000</u>	One-time contribution by Outdoor Systems to Mayor's Office
\$538,000	Total One-time payments by Outdoor Systems to City

Annual Revenues

\$200,000 to \$250,000	Annual payments by Outdoor Systems for MUNI administrative costs and for Art Commission
260,000	Estimated annual payments by Outdoor Systems from telephone revenues to DPW
5,000	Value of transmitters provided annually to City
<u>100,000 to 150,000</u>	Annual payments by Outdoor Systems for MUNI marketing functions
\$565,000 to \$665,000	Total Annual payments by Outdoor Systems to City

In addition to the above identified one-time and annual revenues, if the proposed Agreement is approved, the City will receive: (1) installation and maintenance for up to an additional 250 transit shelters and four high-level platform stations; (2) liability protection on these platform stations; (3) free public service campaigns for the Port, its tenants and special events on the advertising shelters; (4) up to an additional 100 telephones in the shelters; (5) installation and maintenance of shelter transmitters for "Talking Signs" and (6) 250 additional trash receptacles throughout the City. In return, Outdoor Systems receives (1) the advertising rights and revenues on all of these transit shelters and related kiosks, subject to the limitations outlined in the proposed Agreement; and (2) a five-year extension of the contract, assuming neither of the two termination options are exercised. According to Mr. Straus, the only cost to the City is the administrative cost to oversee the proposed Agreement, a cost which is covered by the revenues paid by Outdoor Systems, Inc. to the City, as shown above.

**Recommendation:** Approve the proposed ordinance.





Item 7 - File 98-109

**Item:** Resolution determining and declaring that the public interest and necessity demand the acquisition, construction and/or reconstruction of a new museum facility to replace the M.H. de Young Memorial Museum and all other works, property and structures necessary or convenient to Golden Gate Park in the areas appurtenant to, or which provide access to, the de Young Museum and that the estimated cost of \$95 million for the project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of General Obligation bonded indebtedness.

**Description:** The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public convenience and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and the proposed bonds must then be approved by two-thirds of the electorate.

Financing for a new 283,000 square foot de Young Museum facility (the existing facility is 230,000 square feet) at an estimated total cost of \$134,110,000 would be funded (a) by \$89,900,000 in General Obligation Bonds to be authorized by the electorate and (b) private financing in the amount of \$44,210,000 to be raised by the de Young Museum Trustees under a public/private partnership between the City and the de Young Museum Trustees. The new museum would be built at the same Golden Gate Park location as the existing de Young Museum, following demolition of the existing de Young Museum

General Obligation Bonds in the amount of \$89,900,000 would be issued (see Comment Nos. 1), which is the amount equal to the cost estimate for the seismic and code compliance work. Museum Trustees plan to raise private funds in the amount of \$44,210,000 to pay for the remaining costs of the new Museum, including expanded building area, site improvements, furniture, fixtures and equipment, and all museum exhibition related fixtures, including cases, displays, and computer technology.

**Budget:** A summary budget for the \$89,972,000 estimated project budget for the publicly funded General Obligation Bond portion of the new de Young Museum is as follows:

General Construction	\$56,248,000
Hazardous Materials	9,360,000
Other Project Costs	
Fees and Permits	\$17,967,000
Relocation of Collection	3,509,000
Temporary Bracing Repayment	<u>2,888,000</u>
Total Other Project Costs	<u>24,364,000</u>
Total Project Budget	\$89,972,000

Attachment I to this report is a budget provided by the Fine Arts Museums for the cost of \$89,972,000 (see Comment No. 1) to be funded by General Obligation Bonds. This project budget represents the estimated cost of the seismic and code compliance work required. Attachment II to this report, provided by the Fine Arts Museums, is a budget for the construction of a new de Young Museum with a total estimated project cost of \$134,110,000.

**Comments:**

1. According to Ms. Deborah Frieden of the Fine Arts Museums, the latest estimated project budget for the public portion of the new museum is \$89,972,000. The previous estimate was \$95,000,000. Ms. Frieden reports that of the \$89,972,000, the Fine Arts Museum intends to request the issuance of only \$89,900,000 with the remaining \$72,000 (\$89,972,000 budget less the proposed bond issuance of \$89,900,000) to be funded with the private monies raised by the Museum Trustees. In summary, the total estimated budget for the new de Young Museum is \$134,110,000, of which \$89,900,000 will be publicly funded with General Obligation Bonds and \$44,210,000 will be funded with private contributions raised by the Museum Trustees.
2. In 1996, the Board of Supervisors approved a resolution (File 170-96-7) determining and declaring that the public interest and necessity demand the acquisition, construction and/or reconstruction by the City to replace the de Young Museum and all other works, property and structures necessary or convenient for the foregoing purposes, at an estimated cost of \$73,267,000. According to Ms. Frieden, the \$16,705,000 difference in cost, or a nearly 23 percent cost

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

increase, between the 1996 estimated cost of \$73,267,000 and the current estimated cost of \$89,972,000 results largely from inflation. Attachment II, provided by Ms. Frieden, provides a detailed explanation of the cost differential.

3. The subject resolution does not provide funding to pay for a parking facility related to the de Young Museum.

4. According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, State law provides for a legal debt limit of 3 percent of net assessed property value. The Mayor's Office of Public Finance has calculated the City's Debt Limit Ratio as follows:

Total Debt Limit at 7/1/98	1,757,867, 490
Outstanding General Obligation	
Bonds at 1/1/98	<u>839,865,000</u>
Remaining General Obligation Capacity	\$918,002,490

If the subject bond issue of \$89,900,000 proposed for the June 1998 ballot were to be approved by voters, the remaining General Obligation bonding capacity would be \$828,102,490. However, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

5. According to Ms. Monique Moyer of the Mayor's Office of Public Finance, assuming the bonds are issued in an interest environment which reflects norms for the past ten years, the de Young Museum bonds would bear a true interest cost of 6.075%. Upon issuance of the entire \$89,900,000, average annual debt service would be approximately \$7,851,000 and total debt service would be \$157,037,623 for the proposed 20 year bond period.

According to Ms. Moyer, if the bonds were issued at this time, the true interest cost would be approximately 4.84%, average annual debt service would be approximately \$7,060,934 and total debt service would be \$141,493,271 for the proposed 20 year bond period.

6. According to Mr. John Madden of the Controller's Office, if \$89,900,000 in bonds were to be issued, the bonds would result in an increase in the Property Tax rate of

approximately \$0.0107 per \$100 of assessed value. At this rate, the owner of a single family residence assessed at \$400,000 would pay \$42.05 in additional annual Property Taxes beginning in FY 2001-02, when the bonds have been sold.

- Recommendation:**
1. In accordance with Comment No. 1, amend the proposed request by reducing the authorized bond amount by \$5,100,000 from \$95,000,000 to \$89,900,000.
  2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

TABLE 2 - Page 1 of 2  
M.H. de YOUNG MEMORIAL MUSEUM  
Proposed Public Project Budget

Seismic Renovation and Code Compliance Work - Cost Estimate

I. GENERAL CONSTRUCTION			\$ x 1,000
A.	Basement Excavation & Foundations		740
B.	Load Bearing Walls, Columns & Bracing		2,821
C.	Floor & Roof Structures		2,200
D.	Exterior Cladding, Windows & Doors		869
E.	Roofing, Waterproofing & Skylights		921
	Shell (A-E)		7,551
F.	Interior Partitions, Doors & Glazing		1,308
G.	Floor, Wall & Ceiling Finishes		5,617
	Interiors (F-G)		6,925
H.	Function Equipment & Specialties		1,874
I.	Stairs & Vertical Transportation		474
J.	Plumbing Systems		913
K.	Heating, Ventilating & Air Conditioning		6,201
L.	Electric Lighting, Power, Communications, etc.		5,897
M.	Fire Protection Systems		745
	Mechanical & Electrical (J-M)		13,756
	Building (A-M)		30,580
N.	Site Preparation & Demolition		1,816
O.	Site Paving, Structures & Landscaping		445
P.	Utilities on Site		365
	Site Work (N-P)		2,626
	Building and Site (A-P)		33,206
	Scope Development Contingency	15.0%	4,981
	General Conditions	9.0%	3,437
	Contractor's Overhead & Profit	5.0%	2,081
	Planned Construction Cost in Jan. 1998		43,705
	Allowance for Cost Rise to June 2002*	17.0%	7,430
	Construction Contingency	10.0%	5,113
<b>TOTAL GENERAL CONSTRUCTION</b>			<b>56,248</b>

\* Annual inflation rate utilized is 4.0% compounded annually

TABLE 2 - Page 2 of 2  
M.H. de YOUNG MEMORIAL MUSEUM  
Proposed Public Project Budget

Seismic Renovation and Code Compliance Work - Cost Estimate

		<u>\$ x 1,000</u>
I.	GENERAL CONSTRUCTION TOTAL (from Page 1)	56,248
II.	HAZARDOUS MATERIALS	9,360
	Per DPH Estimate - See Section II.C.	
III.	OTHER PROJECT COSTS	
A.	Fees & Permits	
	1. Environmental Impact Report	500
	2. Professional Design Fees	12.0% 6,750
	3. Civil & Geotechnical Engineering	0.1% 56
	4. Permits & Plan Check Fees	1.25% 703
	5. Inspections and Testing	2.0% 1,125
	6. Bonds & Insurance	1.3% 731
	7. Utility Fees	250
	8. Project & Construction Management	5,757
	9. City Agency Fees	1.0% 562
	10. Bond Legal and Financing Management Fees	1,283 *
	11. General Project Legal Fees	250
	Subtotal	<u>17,967</u>
B.	Relocation	
	1. Relocation and Temporary Accommodation Costs	3,041
	2. Asian Wing Modifications	468
	Subtotal	<u>3,509</u>
C.	Temporary Bracing Repayment	2,888
	TOTAL OTHER PROJECT COSTS	<u>24,364</u>
	<u>RECOMMENDED PROJECT BUDGET</u>	<u>89,972</u>

\*Bond fees as provided by the Mayor's Office of Public Finance

\*\* This publicly funded cost of \$89,972,000 will be applied to a new de Young Museum, with a total estimated budget of \$134,110,000, as detailed in Attachment II.



TABLE 3 - Page 2 of 2  
M.H. de YOUNG MEMORIAL MUSEUM  
Total Proposed Project Cost Estimate

New de Young Concept Plan

		\$ x 1,000
I.	GENERAL CONSTRUCTION TOTAL (from Page 1)	88,497
II.	HAZARDOUS MATERIALS*	4,680
III.	OTHER PROJECT COSTS	
A.	Fees & Permits	
	1. Environmental Impact Report	500
	2. Professional Design Fees	12.0% 10,620
	3. Civil & Geotechnical Engineering	0.1% 88
	4. Permits & Plan Check Fees	1.25% 1,106
	5. Inspections and Testing	2.0% 1,770
	6. Bonds & Insurance	1.3% 1,150
	7. Utility Fees	250
	8. Project & Construction Management	6,484
	9. City Agency Fees	1.0% 885
	10. Bond Legal and Financing Management Fees	1,283 **
	11. General Project Legal Fees	500
	Subtotal	24,636
B.	Relocation	
	1. Relocation and Temporary Accommodation Costs	3,041
	2. Asian Wing Modifications	868
	Subtotal	3,909
C.	Temporary Bracing Repayment	2,888
D.	Furniture, Fixtures & Equipment	9,500
	TOTAL OTHER PROJECT COSTS	40,933
	<u>RECOMMENDED PROJECT BUDGET</u>	<u>134,110</u>

\* Hazardous materials work will be conducted concurrently with the building demolition. Amount shown is an allowance for costs exceeding normal demolition costs including surveying, consultant fees, monitoring and waste removal.

\*\* Bond fees as provided by the Mayor's Office of Public Finance

TABLE 3 - Page 1 of 2  
M.H. de YOUNG MEMORIAL MUSEUM  
Total Proposed Project Cost Estimate

New de Young Concept Plan

I. GENERAL CONSTRUCTION	\$ x 1,000
A. Basement Excavation & Foundations	2,929
B. Load Bearing Walls, Columns & Bracing	6,285
C. Floor & Roof Structures	8,045
D. Exterior Cladding, Windows & Doors	7,075
E. Roofing, Waterproofing & Skylights	3,284
Shell (A-E)	27,618
F. Interior Partitions, Doors & Glazing	3,426
G. Floors, Wall & Ceiling Finishes	6,330
Interiors (F-G)	9,756
H. Function Equipment & Specialties	2,845
I. Stairs & Vertical Transportation	1,081
J. Plumbing Systems	1,240
K. Heating, Ventilating & Air Conditioning	7,717
L. Electric Lighting, Power, Communications, etc.	7,084
M. Fire Protection Systems	1,015
Mechanical & Electrical (J-M)	17,056
Building (A-M)	58,356
N. Site Preparation & Demolition	1,850
O. Site Paving, Structures & Landscaping	2,418
P. Utilities on Site	318
Site Work (N-P)	4,586
Building and Site (A-P)	62,942
General Conditions	9.0% 5,665
Contractor's Overhead & Profit	5.0% 3,430
Planned Construction Cost in Jan. 1998	72,037
Allowance for Cost Rise to June 2002*	17.0% 12,246
Construction Contingency	5.0% 4,214
<b>TOTAL GENERAL CONSTRUCTION</b>	<b>88,497</b>

\* Annual inflation rate utilized is 4.0% compounded annually

**CHANGES TO THE COSTS**

The construction cost estimate used in 1996 was thoroughly re-reviewed by the construction cost estimators who prepared the Department of Public Works Seismic Assessment of the de Young Museum. The following are the key changes to the cost estimates resulting in the increases since 1996.

**A. Inflation**

The construction costs reflect actual inflation of 6% per year for 1996 and 1997 to January 1, 1998. Since construction is not expected to commence until at least June, 2002, the estimate carries a 4% per year inflation allowance. While the 1998 cost estimate reflects inflation at a higher than anticipated rate (in the 1996 proposal, it was 4.5%), it is based on the real experience of Northern California/Bay Area construction. Furthermore, the inflation of 4% per year out to the year 2002 is lower than the 4.5% anticipated in the 1996 proposal, for a net reduction of 2%.

\$ 7,965,000

Hazardous Materials and Other Project Costs did not include any allowance for anticipated inflation in the 1996 proposal. In addition, the current proposal does not include any inflation increases for years 1996 and 1997. However, the 1998 costs now reflect anticipated inflation from 1998 out to 2002 at the rate of 4% per year.

2,451,000

**B. Architectural, Design and Engineering Fees**

These costs have been increased from 10.5% to 12% based upon the advice of the construction cost estimators regarding the market rates for highly complex projects, particularly museum projects requiring architectural design excellence as well as unique technical and planning expertise.

1,680,000

**C. Permit, Plan Check Fees; Project and Construction Management**

These costs have been increased to reflect the comments and suggestions by the Department of Public Works to our 1996 proposal, but received too late to incorporate. See attached letter.

3,559,000

**D. Bond Management, Legal and Financing Fees**

These costs have been provided by the Mayor's Office of Public Finance.

1,050,000

\$16,705,000



Items 8 and 9 - Files 98-50 and 98-57

**Note:** This item was continued by the Finance Committee at its January 28, 1998 meeting.

**Department:** Ethics Commission

**Items:** **File 98-50** - Supplemental appropriation ordinance in the amount of \$82,448 from the General Fund Reserve for salaries, fringe benefits and non-personal services and for the creation of four new positions.

**File 98-57** - Ordinance amending the 1997-98 Annual Salary Ordinance to reflect the creation of four new positions (File 98-57).

**Amount:** \$82,448

**Source of Funds:** General Fund Reserve of \$100,000 established by the Board of Supervisors in the FY 1997-98 Budget for the Ethics Commission

**Budget:** This budget request for the period from approximately December 15, 1997 through June 30, 1998 (6.5 months) is as follows:

Permanent Salaries	\$31,603
Fringe Benefits	6,637
Non-Personal Services	<u>44,208</u>
Total	\$82,448

**Description:** The Ethics Commission is in the process of gradually assuming the full range of duties which were mandated by the approval of (a) Proposition K in 1993, which created the Ethics Commission; (b) the Campaign Finance Reform Ordinance in 1995; (c) State Proposition 208 in 1996, which established limits on campaign contributions and expenditures; and (d) Proposition G in 1997, which requires campaign consultants to register and file quarterly reports with the Ethics Commission. These mandated duties include activities related to campaign finance disclosure and audits, lobbyist registration and reporting, the Whistleblower Program, the filing of Statements of Economic Interest, the investigation of complaints, and education and training. The assumption of these responsibilities has resulted in a gradual increase

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

in the workload for the existing Ethics Commission staff of 4.12 full-time equivalent (FTE) positions.

During the FY 1997-98 budget process, the Board of Supervisors established a General Fund Reserve in the amount of \$100,000 for additional staff, equipment, rental costs and other expenses for the Ethics Commission, pending the appointment of a permanent Executive Director by the Ethics Commission. In October of 1997, the Ethics Commission selected a permanent Executive Director. The proposed supplemental appropriation (File 98-50) would appropriate \$82,448, or \$17,552 less than the previously established General Fund Reserve of \$100,000.

Additionally, the proposed ordinance (File 98-57) would amend the 1997-98 Annual Salary Ordinance to reflect the creation of two permanent and two temporary positions (1.41 FTE in FY 1997-98) for the Ethics Commission, as follows:

<u>Position Title</u>	<u>No. of Positions</u>	<u>Annual Biweekly Salary</u>	<u>Annual Salary @ Step 1</u>	<u>Annual Salary @ Step 5</u>
1366 N Special Assistant VII	1	\$1,499 - \$1,818	\$39,124	\$47,450
1426 N Senior Clerk Typist	1	\$1,223 - \$1,481	31,920	38,654
1403 N Election Clerk	<u>2*</u>	\$1,188 - \$1,440	31,007	37,584
Total	4			

\* The Mayor's Office advises that these are limited tenure positions and would be deleted on June 30, 1998. Thus, there would be only two on-going, full-time permanent positions.

The 1366 Special Assistant VII and 1426 Senior Clerk Typist positions would be permanent, full-time positions. Of the two temporary 1403 Election Clerk positions, one would work part-time between February 17, 1998 and June 30, 1998 (0.32 FTE) and one would work full-time between March 16, 1998 and June 12, 1998 (0.25 FTE). The Mayor's Office reports that both 1403 Election Clerk positions are limited tenure positions and would be eliminated as of June 30, 1998.

The annual cost of the requested two new permanent, full-time positions would range from \$85,963 at Step 1,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



including salaries of \$71,044 and fringe benefits of \$14,919, to \$104,186 at Step 5, including salaries of \$86,104 and fringe benefits of \$18,082.

Descriptions of the proposed expenditures for the period from December 15, 1997 through June 30, 1998, are as follows:

*Permanent Salaries*

*\$31,603*

This request would provide funding for two new permanent positions for the period from approximately February 1, 1998 through June 30, 1998 (see Comment No. 1).

This \$31,603 request includes \$18,150 (\$1,650 biweekly x 11 pay periods) for one new 1366 Special Assistant VII position to serve as a Financial Disclosure Auditor. This position would be responsible for auditing the financial and informational data that the Ethics Commission is mandated to process in order to ensure that candidates, office-holders, campaign committees and lobbyists are accurately and truthfully reporting all receipts and expenditures. According to Ms. Virginia Vida, Executive Director of the Ethics Commission, the two elections during FY 1997-98 (November, 1997 and the June, 1998 election) have increased the volume of filings and necessitated increased auditing and review activity. Ms. Vida also advises that the addition of this new position would enable the Department to dedicate existing staff members who currently perform auditing activities to investigating additional Whistleblower and other ethics-related complaints, which have increased in volume during FY 1997-98. Additionally, Ms. Vida advises that this new position would enable the Ethics Commission to assume responsibility for the more sophisticated, formal audits for which the Department has relied on the assistance of the Controller's Office because the Ethics Commission has not had staff qualified to perform such audits.

This request of \$31,603 also includes \$13,453 for one new 1426 Senior Clerk Typist position (\$1,223 biweekly x 11 pay periods). This position would be responsible for (a) maintaining original files and public access copies of

approximately 3,000 filed documents, which involves data entry, photocopying and diskcopying, (b) performing administrative support functions (i.e., payroll, purchasing, etc.), and (c) providing administrative and clerical support to Ethics Commission members. Although the Ethics Commission currently has one full-time administrative position (a 1426 Senior Clerk Typist), the Department is submitting a request to the Department of Human Resources (DHR) to upgrade that position in order to reflect the actual duties being performed by the existing employee in this position. According to Ms. Vida, those duties, which include advising campaign filers on filing requirements and developing a filing format for electronic campaign filings, allow little time to perform basic administrative and clerical services. As such, the Department is requesting funding for a new permanent, full-time Senior Clerk Typist.

The proposed ordinance (File 98-57) also reflects the addition of two new 1403 Elections Clerk positions (0.57 FTE) which are needed on a temporary basis through June 30, 1998 in order to assist with a new electronic filing database and with the June, 1998 election. Although these positions will be added to the Annual Salary Ordinance (File 98-57), the funding for these two temporary positions is not included as part of this supplemental appropriation request (File 98-50) since these positions will be funded with excess salary savings in the Ethics Commission's current annual budget. The Mayor's Office advises that these two temporary, limited tenure positions would be deleted on June 30, 1998.

*Fringe Benefits*

**\$6,637**

This amount represents approximately 21 percent of the permanent salaries request of \$31,603.

*Non-Personal Services*

**\$44,208**

The proposed supplemental appropriation ordinance (File 98-50) includes \$44,208 for non-personal services, which would provide funding for additional office space for the Ethics Commission and for costs related to the new requested positions and additional space, as follows:

Memo to Finance Committee  
February 4, 1998 Finance Committee Meeting

Rent	\$9,250
Renovations to New Office Space	5,975
Moving Expenses	500
Telephone Installation	4,089
Telephone Usage	1,800
Furniture	4,805
Computer Equipment	14,889
Training for New Staff	1,000
Materials and Supplies	900
Postage	500
Copy Machine Lease	<u>500</u>
Total	\$44,208

The Attachment, provided by the Ethics Commission, provides a detailed explanation of this \$44,208 request for non-personal expenses.

The Ethics Commission currently occupies 963 square feet of space at 1390 Market Street, Suite 701, for a monthly rental cost of \$1.28 per square foot or \$1,237 per month (\$14,844 per year). At its meeting of January 28, 1998, the Finance Committee approved legislation to amend the existing lease in order to provide additional office space at 1390 Market Street, Suite 801 for the Ethics Commission. This lease amendment will provide 1,003 additional square feet at a monthly rental cost of \$1.63 per square foot or \$1,630 per month (\$19,560 per year). Thus, the lease amendment will result in an increase in square footage of 1,003 (104 percent), from 963 square feet to 1,966 square feet, and an increase in annual rent of \$19,560 (132 percent), from \$14,844 to \$34,404 per year.

The Ethics Commission has been occupying this additional space since December 15, 1997 under a temporary month-to-month lease agreement executed by the Director of Property, at a rental cost of \$999 per month. The above-noted lease amendment will commence upon final approval by the Board of Supervisors (approximately February 17, 1998). Although the proposed supplemental appropriation request (File 98-50) includes \$9,250 for additional rent, the estimated actual cost is \$9,333, which reflects (a) \$1,998 for the period from December 15, 1997 through February 16, 1998 (two months @ \$999 per month) and (b) \$7,335 for the period

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

from February 17, 1998 through June 30, 1998 (4.5 months @ \$1,630 per month). However, Ms. Vida advises that the excess cost of \$83 (\$9,333 less \$9,250) will be absorbed in the Ethics Commission's current annual budget.

Comments:

1. Ms. Vida anticipates that the requested new 1426 Senior Clerk Typist should be hired on or about February 17, 1998 and the new 1366 Special Assistant VII should be hired on or about March 9, 1998. Thus, the amount needed for permanent salaries and fringe benefits for these two positions is \$30,378 through June 30, 1998, as follows:

1426 Senior Clerk Typist (9.6 pp @ \$1,223/pp)	\$11,741
1366 Special Assistant VII (8.1 pp @ \$1,650/pp)	13,365
Total - Salaries	\$25,106
Fringe Benefits @ 21%	<u>5,272</u>
Total Amount Needed	\$30,378

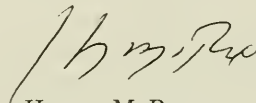
As such, the supplemental appropriation request should be reduced by \$6,497, from \$31,603 to \$25,106, for permanent salaries, and by \$1,365, from \$6,637 to \$5,272, for fringe benefits, for a total reduction of \$7,862.

2. The proposed supplemental appropriation request for non-personal services should be reduced by \$1,280, from \$44,208 to \$42,928, to reflect the Ethics Commission's actual needs for office furniture, as follows: \$1,200 for two desks, \$2,125 for office dividers and \$200 for anchoring equipment, for a total of \$3,525 for office furniture (\$1,280 less than the original request of \$4,805).

3. As expenditures have been incurred for rental expenses for the above-noted lease amendment (File 64-97-22) since December 15, 1997, the proposed supplemental appropriation ordinance (File 98-50) should be amended to provide for retroactivity.

4. The proposed ordinances (Files 98-50 and 98-57) should be amended to reflect that the two new requested temporary 1403 Election Clerk positions (0.57 FTE) are limited tenure positions ("L") which will be deleted as of June 30, 1998.

- Recommendations:**
1. Amend the proposed supplemental appropriation ordinance (File 98-50) by reducing the amount by \$9,142, from \$82,448 to \$73,306, consisting of \$6,497 for permanent salaries (from \$31,603 to \$25,106), \$1,365 for fringe benefits (from \$6,637 to \$5,272) and \$1,280 for non-personal services (from \$44,208 to \$42,928), in accordance with Comments No. 1 and 2 above.
  2. Amend the proposed supplemental appropriation ordinance (File 98-50) to provide for retroactivity, in accordance with Comment No. 3 above.
  3. Amend the proposed ordinances (Files 98-50 and 98-57) to reflect that the two new 1403 Election Clerk positions (0.57 FTE) are limited tenure ("L") positions, in accordance with Comment No. 4 above.
  4. Approve the proposed ordinances, as amended.



Harvey M. Rose

cc: Supervisor Teng  
President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Gail Feldman  
Matthew Hymel  
Stephen Kawa  
Ted Lakey



## NON-PERSONAL SERVICES

The Commission requests the amount of \$44,208 for costs associated with a move to larger premises. The addition of two permanent staff members and part-time temporary staff will require larger office space and equipment. Included in the request for \$44,208 are the following items:

*Rent of additional 1,000 sq. ft. of office space at  
1390 Market St., Suite 801, for six months @ \$18.50 per sq. ft.* **\$9,250**

The Commission currently occupies 1,000 sq. ft. at Fox Plaza, Suite 701, and pays \$15.41 per sq. ft. or a monthly rent of \$1,237. As of 1/1/98 it will pay \$1,334.20 with escalation fees of \$97.20/month. (See enclosed escalation letters.) In its present cramped quarters, there is very little space available to house public files and for the public to review documents. The Commission also has no room to accommodate additional staff, student interns and volunteers.

The Commission staff has consulted with the Department of Real Estate, which has identified an additional 1,000 feet of office space at 1390 Market St. (Fox Plaza), the current location of the Commission, at \$18.50 per sq. foot. The enclosed budget reflects the Commission's plans to expand to the new space, Suite 801, which is located directly above the Commission's present office. (The Commission proposes to continue to occupy Suite 701 and expand to Suite 801.)

*Renovations.* **\$5,975**

This will include construction and painting of walls and a door to enclose one office, moving a ceiling vent, installation of a half-door for reception purposes, and removal of shelving. See enclosed bid from Fox Plaza.

*Movers* **\$500**

*Telephone: hook-ups for additional phone lines, phone equipment  
and increased monthly charges.* **\$4,089**

This item includes \$4,089 for installation of additional phone lines and the cost of telephone equipment. (See enclosed estimate.)



*Telephone usage for six-month period*

**\$1,800**

The \$1,800 figure is based on additional monthly charges of \$300 per month. This includes the additional \$125 per month for the designated router line to be installed for the campaign finance electronic filing project.

*Furniture:*

**\$4,805**

(\$3,100 expendable if necessary. We will need at least \$2,000.)

This item includes:

2 desks at \$600 each = **\$1,200**

2 sets of file cabinets at \$240 each = **\$480**

2 computer stations at \$200 each for the additional staff positions of Auditor and Senior Clerk Typist. = **\$400**

2 chairs at \$200 each = **\$400**

The furniture request also includes 3 office dividers and anchoring equipment as follows:

2 6ft high x 8ft wide divider "walls" at \$500 each = **\$1,000**

3 6 ft high x 4ft wide divider "walls" at \$375 each = **\$1,125**

Anchoring equipment ("feet," etc) = **\$200**

*Computers, software and network wiring*

**\$14,889**

This includes installation of wiring connecting Suite 801 with 701 (on two floors). See enclosed bid from DTIS. It also includes 4 new computers, applicable software, and a hub for connecting the office network. The Commission is requesting 4 new computers-- 2 for new staff, and 2 to replace older computers.

*Staff Training*

**\$1,000**

This includes sending the new Campaign Finance Auditor for a two-week political audit training at the Los Angeles Ethics Commission and/or the Franchise Tax Board in Sacramento. It also includes sending staff to Sacramento for possible one-day filing officer workshops re: implementation of Proposition 208.

*Supplies*

**\$900**

Additional office supplies will be needed with the addition of new staff in Suite 801. This will include copy paper, additional envelopes, file folders, etc.

*Postage*

**\$500**

Additional postage is budgeted to cover mailings generated by additional staff, especially in view of the Auditor's activities.

***Photocopy machine use***

***\$500***

The Commission will lease a second photocopy machine for installation in Suite 801.

1:\msoffice\winword\bgt97\8supbud.doc

MINUTES  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO  
REGULAR MEETING

DOCUMENTS DEPT.  
FEB 12 1998  
SAN FRANCISCO  
PUBLIC LIBRARY

WEDNESDAY, FEBRUARY 11, 1998 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS MABEL TENG, BARBARA KAUFMAN, GAVIN NEWSOM

NOTE: Supervisor Yaki appointed by President of the Board to replace Supervisor Newsom.

PRESENT: SUPERVISORS BARBARA KAUFMAN, MICHAEL YAKI

ABSENT: SUPERVISORS MABEL TENG, GAVIN NEWSOM

CLERK: JONI BLANCHARD

Meeting Commenced: 1:00 p.m.

CONSENT CALENDAR

1. All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Committee and will be acted upon by a single, roll-call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- a) File 100-97-1.6. [Reserved Funds, Department of Public Health] Hearing to consider release of reserved funds, Department of Public Health (1997/98 Budget), in the amount of \$1,000,000 to fund the 1997/98 merit increase award to private, non-profit agencies contracting with the department. (Department of Public Health)

SPEAKERS: Harvey Rose, Budget Analyst; Monique Zmuda - Dept. of Public Health - support.

ACTION: REMOVED FROM CONSENT CALENDAR. Hearing held. Release of \$1,000,000 approved. Filed.

- b) File 98-0105. [Reserved Funds, Department of Public Works] Hearing to consider release of reserved funds, Department of Public Works (State Grant, Resolution No. 166-95) in the amount of \$444,239 for the seismic rehabilitation of the Central Fire Alarm Station. (Department of Public Works)

SPEAKERS: None.

ACTION: Release of \$444,239 approved. Filed.

- c) File 98-0156. [Reserved Funds, Department of Human Services] Hearing to consider release of reserved funds, Department of Human Services (1997-98 Budget, State/Federal Revenues File 101-97-39) in the amount of \$1,997,336 for renovation, capital improvement projects and for computer equipment for 1235 Mission site. (Department of Human Services)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: REMOVED FROM CONSENT CALENDAR. Hearing held. Release of \$1,997,336 approved. Filed.

NOTE: \$40,000 balance of reserved monies (reserved under File 101-97-39) to be returned to general fund per recommendation no. 2 of the Budget Analyst report for the 2/11/98 Finance Committee Meeting, as stated on page 15 (see file).

- d) File 98-0139. [Reserved Funds, Sheriff Department] Hearing to consider release of reserved funds, Sheriff Department, in the amount of \$86,570 for the purchase of computers and vehicles for the Treasure Island Jail Facility; companion measure to File 101-97-20. (Sheriff Department)

SPEAKERS: None.

ACTION: Release of \$86,570 approved. Filed.

#### REGULAR ITEMS

2. File 98-0175. [Annual Appropriation Ordinance Amendment] Ordinance amending Ordinance 345-97 (Annual Appropriation Ordinance) to add Section 12.4 relating to additional services by the Health Department. (Supervisors Kaufman, Katz, Yaki, Teng, Brown)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

NOTE: Supervisors Yaki, Teng, Brown added as co-sponsors.

3. File 98-0155. [John Muir Drive Emergency Authorization] Resolution concurring with and supporting the Director of the Department of Public Works finding and declaring a public emergency; urging said Director to take necessary measures in the most expeditious manner to protect the public safety, health, welfare, and property of citizens of San Francisco with regard to the dangerous condition created by the unstable conditions on John Muir Drive; and authorizing the Director of the Department of Public Works to enter into agreements of indemnity based on this emergency at John Muir Drive. (Department of Public Works)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

4. File 98-0096. [Lease of Property at 3801 Third Street] Resolution authorizing a lease of real property at 3801 Third Street, San Francisco, for the Mental Health Division of the Department of Public Health. (Real Estate Department)

SPEAKERS: None.

ACTION: Consideration continued to 2/25/98 (at request of the Health Department).

5. File 98-0104. [Sale of Real Property] Resolution approving and authorizing an agreement between the City and County of San Francisco, John L. Dominge, and the University of San Francisco (USF), as sellers, and Charles Figg and Lenore Schreiber, as buyer, providing for the sale of certain real property located at 365-67-69 Haight Street and 60 Laussat Street, San Francisco, including the City's undivided five-twelfths interest in such property, which was bequeathed to the City under the estate of John B. Fortunio, for a total gross sales price of \$619,000; finding that competitive bidding would be impractical or impossible for the sale of this property; adopting findings that the sale is consistent with the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1; and ratifying prior acts. (Real Estate Department)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

6. File 98-0129. [Prop. J Contract, Security Guard Services] Resolution concurring with the Controller's certification that security services can be practically performed at the Permit Center at 1660 Mission Street and at 25 Van Ness by private contractor for lower cost than similar work services performed by City and County employees. (Real Estate Department)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Amended on page 1, line 2 before "concurring" to add "retroactively"; amended on page 2, line 1 between "hereby" and "concurs" to insert "retroactively". (See new title). Recommended as amended

New Title: [Prop. J Contract, Security Guard Services] Resolution retroactively concurring with the Controller's certification that security services can be practically performed at the Permit Center at 1660 Mission Street and at 25 Van Ness by private contractor for lower cost than similar work services performed by City and County employees. (Real Estate Department)

7. File 98-0130. [Prop. J Contract, Janitorial Services] Resolution concurring with the Controller's certification that janitorial services can be practically performed at the Permit Center at 1660 Mission Street and at 25 Van Ness by private contractor for lower cost than similar work services performed by City and County employees. (Real Estate Department)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Amended on page 1, line 2 before "concurring" to add "retroactively"; amended on page 2, line 1 between "hereby" and "concurs" to insert "retroactively". (See new title). Recommended as amended

New Title: [Prop. J Contract, Janitorial Services] Resolution retroactively concurring with the Controller's certification that janitorial services can be practically performed at the Permit Center at 1660 Mission Street and at 25 Van Ness by private contractor for lower cost than similar work services performed by City and County employees. (Real Estate Department)

8. File 98-0102. [Competitive Bidding Exemption] Ordinance waiving competitive bid requirements for the Recreation and Park Commission's award of a Public Works contract to the San Francisco Conservation Corps for performance of restoration activities designated Significant Natural Resource Areas. (Recreation and Park Department)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.



9. File 98-0108. [Special Bond Election, June 2, 1998] Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 2, 1998, for the purpose of submitting to the voters of the City and County a proposition to incur bonded indebtedness of the City and County in the principal amount of \$95,000,000 for the acquisition, construction and/or reconstruction of a new museum facility in Golden Gate Park to replace the M. H. de Young Memorial Museum, including funding for improvements to Golden Gate park in the areas appurtenant to, or which provide access to, the de Young Museum; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; waiving the time limit requirements of Section 2.34 of the San Francisco Administrative Code relating to time of adoption of this resolution before the election; waiving certain requirements of Administrative Code Sections 2A.52 and 2A.53 relating to the requirement for General Plan referral reports; waiving Administrative Code Sections 2.30-1, 3.20, 3.21 and 3.22 relating to submission of proposed capital improvement projects to the Capital Improvement Advisory Committee; waiving the requirements of Section 305 of the Municipal Elections Code relating to rules for submission of ordinances and charter amendments by the Board of Supervisors; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest thereof; prescribing notice to be given of such election; consolidating the special election with the consolidated municipal primary election already scheduled for June 2, 1998; providing that the election precincts, voting places and officers for election shall be the same as the consolidated municipal primary election scheduled for June 2, 1998; and waiving the word limitation on ballot propositions imposed by San Francisco Municipal Elections Code Section 510. (Supervisors Yaki, Teng, Yee, Katz, Brown, Kaufman, Newsom)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Amendment of the Whole (with new title) adopted. (See new title). Recommended as amended.

New Title: [Special Bond Election, June 2, 1998] Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 2, 1998, for the purpose of submitting to the voters of the City and County of San Francisco a proposition to incur bonded indebtedness of the City and County in the principal amount of \$89,900,000 for the acquisition, construction and/or reconstruction of a new museum facility in Golden Gate Park to replace the M. H. de Young Memorial Museum, including funding for improvements to Golden Gate Park in the areas appurtenant to, or which provide access to, the de Young Museum; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; waiving the time limit requirements of Section 2.34 of the San Francisco Administrative Code relating to time of adoption of this resolution before the election; waiving certain requirements of Administrative Code Sections 2A.52 and 2A.53 relating to the requirement for General Plan referral reports; waiving requirements of Administrative Code Sections 2.30-1, 3.20, 3.21 and 3.22 relating to submission of proposed capital improvement projects to the Capital Improvement Advisory Committee; waiving the requirements of Section 305 of the Municipal Elections Code relating to rules for submission of ordinances and charter amendments by the Board of Supervisors; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest thereof; prescribing notice to be given of such election; consolidating the special election with the consolidated municipal primary election already scheduled for June 2, 1998; providing that the election precincts, voting places and officers for election shall be the same as for the consolidated municipal primary election scheduled for June 2, 1998; and waiving the word limitation on ballot propositions imposed by San Francisco Municipal Elections Code Section 510. (Supervisors Yaki, Teng, Yee, Katz, Brown, Kaufman, Newsom)

VOTE ON ALL ITEMS WAS 2 - 0.

Meeting Adjourned: 1:40 p.m.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

DOCUMENTS DEPT.

FEB 10 1998

SAN FRANCISCO  
PUBLIC LIBRARY

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

February 6, 1998

TO: Finance Committee  
FROM: Budget Analyst Recommendations for meeting of  
SUBJECT: February 11, 1998 Finance Committee Meeting

Item 1a - File 100-97-1.6

**Department:** Department of Public Health (DPH)

**Item:** Hearing to consider the release of reserved funds in the amount of \$1,000,000 in funding appropriated to the Department of Health (DPH) during the FY 1997-98 budget process, which was targeted for performance-based incentives to nonprofit agencies contracting with DPH.

**Amount:** \$1,000,000

According to Ms. Monique Zmuda of DPH, performance-based incentives for nonprofit agencies contracting with DPH are one-time incentives for salary increases and increases to operating costs for the nonprofit contractors currently providing services for DPH and which are to be used to enhance the service of the program for which DPH is contracting.

**Description:** The Board of Supervisors reserved funding in the amount of \$1,000,000 in DPH's FY 1997-98 budget for "Performance

Adjustments for DPH Contractors", pending identification to the Finance Committee of the DPH nonprofit contractors to receive the allocations and the amount of each allocation. On October 7, 1997, the Health Commission adopted a resolution approving the principles for allocating the \$1,000,000 (Attachment I). 54 nonprofit agencies contracting with the DPH are to receive the allocations (Attachment II).

**Comments:**

1. Listed in Attachment II to this report, as provided by DPH, are the selected 54 nonprofit contractors, the total amount of their contracts for FY 1997-98 and the allocations to these nonprofit contractors. The allocations are to be used for employee salary increases and increases to operating costs, according to the resolution as adopted by the Health Commission. The allocations total \$1,000,000.

2. According to the resolution adopted by the Health Commission, the principles "for granting merit increases" to the nonprofit contractors include limiting awards to nonprofit organizations which contracted with DPH in FY 1996-97 and FY 1997-98, establishing the maximum award at \$24,700, designating the awards as one-time adjustments, and using data from DPH program reviews and monitoring reports as the basis for judging performance of the nonprofit contractors.

3. According to Ms. Zmuda, the allocation of \$1,000,000 to the 54 nonprofit contractors which would receive between \$3,813 to \$24,700 represents 1.79% of the total contract amounts of \$55,858,602 that DPH has awarded to such nonprofit contractors in FY 1997-98.

4. According to Dr. Katz, the increased allocations to the 54 nonprofit agencies should be granted because, according to testimony given by these nonprofit agencies under contract with DPH, the agencies have insufficient funds to provide salary increases and to fund increases to their operating costs.

5. Dr. Katz reports that all 54 agencies listed in Attachment II qualify for merit increases based on the DPH adopted criteria.

6. These increased allocations are one-time increases and will not be added to the base contract amounts awarded to

the nonprofit contractors in subsequent years, according to Ms. Zmuda. The Budget Analyst notes that employee salaries and operating costs of the nonprofit contractors are annual, ongoing costs. However, the General Fund Reserve established by the Finance Committee is a one-time allocation. If the proposed employee salary increases and operating cost increases continue to be paid in the future by the nonprofit contractors on an annual basis, then, in subsequent years, such expenditures could result in providing a reduced level of service.

**Recommendation:** Approval of the release of \$1,000,000, for one-time increases to employee salaries and one-time increases in operating costs for 54 nonprofit agencies which presently contract with the DPH, is a policy matter for the Board of Supervisors.



**HEALTH COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**  
RESOLUTION NO. 22-97

**APPROVING THE PRINCIPLES FOR GRANTING  
MERIT INCREASES TO CONTRACT AGENCIES**

WHEREAS, the contract policies of the Department of Health, which have been approved by the Health Commission, includes a provision for granting performance based incentives to contractors; and,

WHEREAS, the Board of Supervisors appropriated \$1 million to the Department of Health in the fiscal year 1997-98 budget to grant merit based increases to contractors; and,

WHEREAS, this increase was granted based on testimony from private non-profit community based organizations that they have insufficient funds to provide salary increases and to fund increases to their operating costs; and,

WHEREAS, the \$1 million augmentation has been placed on reserve by the Finance Committee of the Board of Supervisors, pending receipt of the Department's plan for allocating the funds to contractors; and,

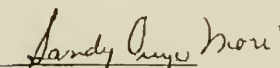
WHEREAS, the Department has developed principles by which it proposes to grant merit based increases to contractors; and,

WHEREAS, the Commission recognizes that \$1 million is not sufficient to provide all agencies with a meaningful increase and therefore the pool of eligibles and grant amounts should be limited, and,

WHEREAS, the principles proposed for merit increases include limiting awards to non-profit community based organizations which contracted with the Department in the past and in the current year, limiting the pool to approximately 30 contractors with a maximum award of \$35,000, making the awards as one-time adjustments to contractors, thereby allowing the Department to make decisions on contractor awards each year; and using data from program reviews and monitoring reports as the basis for judging performance; therefore, be it

RESOLVED that the Health Commission approves the guidelines for granting merit increases to Department contractors, and authorizes the Department to request release of these funds from the Finance Committee of the Board of Supervisors.

I hereby certify that the foregoing resolution was adopted by the Health Commission at its meeting of Tuesday, October 7, 1997.

  
Sandy Odyce Mori  
Executive Secretary to  
the Health Commission



<b>FY97-98 Merit Increase Award</b>				
<b>Top Performers with Proposed Increases</b>				

Svc	Provider	Award	Current Contract	%
AIDS	AIDS Emergency Fund	24,700	865,526	0.029
AIDS	AIDS Legal Referral Panel	18,421	184,206	0.100
AIDS	American College of Traditional Chinese Medicine	24,700	279,276	0.088
CSAS	Asian American Recovery Service, Inc.	24,700	1,376,745	0.018
MH	Baker Places, Inc.	24,700	5,264,661	0.005
AIDS	Bar Association	7,138	71,379	0.100
AIDS	Bay Area Young Positives	5,687	56,870	0.100
MH	Catholic Charities	16,072	160,720	0.100
CSAS	Center for Human Development	14,802	148,019	0.100
AIDS	Central City Hospitality House	7,482	74,818	0.100
AIDS	Coming Home	5,436	54,356	0.100
MH	Conard House	24,700	3,163,098	0.008
MH	Edgewood Children's Center	24,700	1,216,291	0.020
CSAS	Episcopal Community Services	6,561	65,607	0.100
MH	Episcopal Community Services	24,700	427,981	0.058
MH	Family Service Agency of SF	24,700	4,129,984	0.006
CSAS	Friendship House	18,000	180,000	0.100
AIDS	Glide Foundation	24,700	380,235	0.065
CSAS	Haight Ashbury Free Clinic, Inc.	24,700	2,973,071	0.008
CSAS	Henry Ohloff House	10,290	102,900	0.100
AIDS	Immune Enhancement Program	20,503	205,029	0.100
MH	Instituto Familiar de la Raza	24,700	2,036,755	0.012
CSAS	Iris Center	24,700	952,739	0.026
CSAS	Jelani House	24,700	915,455	0.027
AIDS	Larkin Street Youth Center	8,985	625,875	0.014
AIDS	Lutheran Social Services	24,700	1,432,142	0.017
AIDS	Maitri AIDS Hospice	5,231	52,305	0.100
CSAS	Mission Council	24,700	308,412	0.080
CSAS	National Council on Alcoholism	19,084	190,839	0.100
CSAS	North of Market Senior Services	24,700	251,632	0.098
MH	Oakes Children Center	24,700	390,568	0.063
MH	Patient's Rights Advocacy Services	24,700	279,855	0.088
CSAS	Potrero Hill Neighborhood House	24,700	265,850	0.093
MH	Progress Foundation	24,700	5,328,757	0.005
AIDS	Project Open Hand	24,700	1,227,193	0.020
MH	Richmond Area Multi-Services	24,700	1,658,559	0.015
AIDS	Rose Resnick Lighthouse B&VI	3,813	38,132	0.100
CSAS	Salvation Army Harborlight	24,700	663,819	0.037
MH	Seneca Center for Children, Inc.	24,700	1,712,577	0.014
AIDS	SF Community Clinic Consortium	24,700	766,981	0.032
AIDS	SF Food Bank	13,590	135,900	0.100
MH	SF Suicide Prevention	14,864	148,635	0.100
AIDS	SF Suicide Prevention	9,880	98,802	0.100
CSAS	SF Suicide Prevention	6,112	61,115	0.100
MH	Society of St. Vincent de Paul	8,377	83,766	0.100
AIDS	Stop AIDS Project	8,985	899,883	0.010
MH	Volunteer Center of SF	12,575	125,747	0.100
MH	Westside Community Mental Health Center, Inc.	24,700	8,544,930	0.003
CSAS	Westside Community Mental Health Center, Inc.	10,000	1,296,687	0.008
CSAS	Youth Leadership Institute	19,020	190,200	0.100
CHS	Youthworks	12,796	127,960	0.100
FOR	Jail Health Services	24,700	2,564,691	0.010
PC	Northeast Medical Services	24,700	254,910	0.097
PC	Mission Neighborhood Health Center	24,700	846,159	0.029
	<b>Total Awards</b>	<b>1,000,000</b>	<b>55,858,602</b>	<b>0.018</b>



Item 1b – File 98-105

**Department:** Department of Public Works (DPW)

**Item:** Hearing to consider the release of reserved funds in the amount of \$444,239 of 1990 State Earthquake Safety and Public Buildings Rehabilitation Bond proceeds to fund a portion of the \$14,400,000 construction contract for the 911 Emergency Communications Center located at 1003 Turk Street.

**Amount:** \$444,239

**Source of Funds:** 1990 California Earthquake Safety and Public Buildings Rehabilitation Bond Act proceeds.

**Description:** In March of 1995, the Board of Supervisors approved legislation authorizing the Chief Administrative Officer or the Director of Public Works to apply for, accept, and expend \$4,480,511 of 1990 State Earthquake Safety and Public Buildings Rehabilitation Bond proceeds for the purpose of funding seismic improvements to public buildings that are critical for (a) making emergency responses, (b) providing essential services, or (c) related to public safety improvements in the event of an earthquake (File 133-95-2). The authorization to apply for, accept, and expend the \$4,480,511 included the sum of \$444,239 for seismic improvements to the Fire Department's Central Fire Alarm Station, which was placed on reserve pending submission of budget details to the Finance Committee.

Subsequently, according to Mr. Primeau, Director of Public Works, the State approved a DPW request to apply the \$444,239 in funding toward the construction of the new 911 Emergency Communications Center which replaces the Central Fire Alarm Station project. Therefore, the subject requested funds would be allocated as a funding source for the 911 Emergency Communications Center.

According to Mr. Mike Quan of DPW, a contract to construct the 911 Emergency Communications Center was awarded to the firm of S.J. Amoroso, Inc.-TSM, a Joint Venture, in March of 1997, in the amount of \$14,400,000.

- Budget:** Attachment I to this report, provided by DPW, contains the tabulation of bids for the construction contract as well as a listing of the subcontractors selected to perform work on the construction project, the type of work to be performed, and the amount of each subcontract. The construction contract, in the amount of \$14,400,000, was awarded to the firm of S.J. Amoroso, Inc. – TSM, a Joint Venture.
- Comments:**
1. Mr. Quan reports that construction of the 911 Emergency Communications Center is estimated to be completed by December 24, 1998.
  2. As reported by Mr. Quan in Attachment II, the funding source for the \$14,400,000 construction contract for the 911 Emergency Communications Center is lease revenue bond proceeds, which were appropriated by the Board of Supervisors in February of 1997 (File 101-96-41). The allocation of the subject requested funds of \$444,239 towards the 911 Emergency Communications Center project would replace an equivalent amount of lease revenue bond funding.
- Recommendation:** Release the requested funding in the amount of \$444,239.

TABULATION OF BIDS

REVISED

1001H

SPEC NO.:

9-1-1/OES

TITLE:

Emergency Communications Center

December 18, 1996

BIDS RECEIVED:

S.J. Amoroso, Inc. - TSM, a JV

BIDDERS

Barnes/LTM, a JV

A. Answer, Inc., Marinship, Dennis J. Amoroso JV

Base Bid	Alt #2	Alt #5	Alt #1	Alt #3	Not used Alt #4
14,400,000	232,000	233,000	46,000	(50,000)	-
14,448,464	183,000	81,900	40,900	(35,000)	-
<u>14,498,000</u>	198,000	55,000	28,000	(35,000)	-
14,448,821	204,333	123,300	38,300	(40,000)	-
12,000,000	200,000	50,000	120,000	No Change	-
Average Bid:	120%	247%	32%		
Architect's Estimate:					
% of Architect's Estimate:					

S.J. Amoroso, Inc. - TSM, a JV

APPARENT LOW BIDDER

348 Hatch Drive  
Foster City, CA 94404

NOTE 1: Immediately prior to the bid opening an announcement was made that the Project Budget is \$12,400,000 and the order of the priorities for the Alternates is 2, 5, 1, and 3.

NOTE 2: Revised to show correct Barnes/LTM Base Bid amount and third bidder's name (corrections underlined).

SUBCONTRACTORS.

Myron Demolition	Earthwork/paving	275,000	Thompson	Painting	135,000
Malcolm Drilling	<u>Shoring/underpin</u>	185,000	Montgomery	Elevators	58,000
Landavazo	Site concrete	75,000	Allied	Fire protection	119,000
Alamillo	<u>Rebar</u>	<u>263,000</u>	Chen	Plumbing	336,000
Pacific Erectors	Metal deck	<u>166,000</u>	Scott/Norman	HVAC	2,000.00
Ruscoe	Structural steel	1,400,000	Helix Electrical	Electrical	1,950,000
Pacific Stair	Metal Fabrication	800,000	Pugliese	Access flooring	79,000
Valley	Porcelain enamel panels	690,000	Continental	Misc. specialties	7,000
Sierra Singlety	Roofing	88,000	TE JOO	Isolators	230,000
Arch Glass	Aluminum <u>s. glass</u>	510,000	TE JOO	Masonry	30,000
M/Swinkle	Plaster <u>GWB</u>	718,000	Tamalpais	Casework	94,000
Alfa Omega	Ceramic tile	92,000	Liberty	Concrete	125,000
Western Acoustics	Acoustical ceilings & panels	90,000	TE JOO	Concrete	120,000
Joe Wing	VCT/carpst	60,000			

Don Eng  
Joe Cheung  
Mike Quan  
Kevin Williams  
Harlan Kelly  
Gary Hoy  
Mark Primeau  
DPW Accounting

All Bidders

Maurice Williams  
Bob Swanson

REVISED

## City and County of San Francisco

Department of Public Works  
Project Management

February 6, 1998

To: Stan Jones  
Budget Analyst Office

From: Mike Quan *MSQ*  
DPW Project Manager

Re: Release of Reserve Funds  
Central Fire Alarm Station  
File No. 133-95-2, Resolution No. 166-95

This in reference to your inquiry as to the present source of funding for the new 911/OES Emergency Communications Center, and the proposed application of the \$444,239 grant fund upon receipt from the State.

The funding source for construction of the new center is lease revenue bonds which were sold in June 1997.

The \$444,239 State grant proceeds which must be used for construction of the new center will be used for that purpose. Bond funds freed up will be applied towards other costs related to the 911 Project, such as the subsequent building construction phase, community mitigation costs, telecommunications systems, CAD systems, telephone conversions, project management, bond financing, etc.

If you have any further questions, please feel free to call me at 558-4058.

cc: Mike Martin, 911 Project Director

Post-It™ brand fax transmittal memo 7671		# of pages 1
To	STAN JONES	From
Co.		Co.
Dept.		Phone #
Fax #	399-1064	Fax #
		558-4058
		558-4519



Memo to Finance Committee  
February 11, 1998 Finance Committee Meeting

Item 1c-File 98-156

<b>Department:</b>	Department of Human Services (DHS)
<b>Item:</b>	Hearing to consider release of reserved funds in the amount of \$1,997,336 to fund computer equipment, capital improvements and renovations for the Department of Human Services (DHS) site at 1235 Mission Street and other DHS sites used for the implementation of Welfare Reform Programs.
<b>Amount:</b>	\$1,997,337
<b>Source of Funds:</b>	Previously reserved funds from new State and Federal Revenues, and Prior Year Closeouts of Welfare and Administration Funds.\$1,797,336  Reserved funds established by the Board of Supervisors in the FY 1997-98 budget for the DHS for renovations to "improve crowd control" at 1235 Mission Street. <u>200,000</u>  <b>TOTAL</b>
	<b>\$1,997,336</b>

**Description:** In December of 1997, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-97-39) in the amount of \$11,935,957 to provide additional funds for (1) the implementation of Welfare Reform Programs, expansion of Adoption and Homeless Programs and improvement of Department of Human Services (DHS) facilities, and (2) for the creation of 258 new positions and deletion of 149 positions.

That supplemental appropriation (File 101-97-39) funded the new CalWORKs Program (the State of California's Program for implementation of welfare reform that replaces the AFDC and GAIN programs) and the Personal Assisted Employment Services (PAES) Program for Indigent Adult clients. The Finance Committee placed a total of \$1,837,336 of the \$11,935,957 supplemental appropriation on reserve for the following: (1) computer equipment and services to implement new systems pending approval by the Committee on

Information Technology (COIT) and submission of full system design and cost details for an amount of \$1,179,637, and (2) capital improvements at DHS sites pending consideration by the Capital Improvement Advisory Committee (CIAC) in the amount of \$657,699. The COIT granted approval of the computer equipment and services in the amount of \$1,179,637 on January 14, 1998 and the CIAC granted approval of capital improvements in the amount of \$817,699 on January 9, 1998. The amount approved by the CIAC included \$617,699 or \$40,000 less than the \$657,699 reserved by the Finance Committee and \$200,000 previously reserved in the FY 1997-98 DHS budget to "improve crowd control" at DHS' 1235 Mission Street building.

According to Mr. Christian Griffith of the DHS, \$1,179,637 of the subject funds would be used for the following computer equipment and services projects:

(1) Connecting new remote locations (\$255,313):

DHS would link the following DHS sites to the central network: (a) four DHS career centers located at 3120 Mission Street, 1486 Bush Street, the Southeast Campus of the San Francisco Community College (SFCCD), and the PAES Success Center (see Comment No. 1); and (b) the DHS Homeless Program located at 1705 Mission.

(2) Improving the capacity of the existing network (\$924,324): DHS would add four additional servers and 186 Networked Computers to its existing network and designate the DHS site at 170 Otis Street as the central site.

The computer equipment and services projects as noted above would allow DHS to: (1) provide clients of CalWORKs and PAES with a new computer lab with ten PCs at the PAES Success Center and a new computer lab with ten PCs at the DHS site at 1486 Bush Street (see Comment No. 2); and (2) provide PCs for 166 of the employment specialists (see Comment No. 3) who will: (a) research jobs for their clients on the internet; (b) coordinate client services with other Employment Specialists via email; and (c) use updated online manuals for reference when determining client eligibility for services.

Mr. Griffith further advises that \$817,699 of the subject request of \$1,997,336 in reserved funds would be used for the following capital improvements:

- (1) remodeling of the first and second floor of the DHS site at 1235 Mission Street to "improve crowd control" (\$476,909);
- (2) renovations and remodeling of the DHS facility at 170 Otis Street (\$23,790);
- (3) installation of a security camera at the DHS site 1440 Harrison Street (\$7,000);
- (4) architectural design for the DHS site 170 Otis Street and three CalWORKs career centers (\$60,000); and
- (5) remodeling of the DHS site at the Southeast Campus of the SFCCD (\$250,000) (see Comment No. 4).

**Budget:** DHS is currently requesting a release of reserved funds in the amount of \$1,997,336 based on the following budget for computer equipment and services and capital improvements:

<u>Computer Equipment and Services</u>	<u>Amount</u>
Connection Costs	\$255,313
Additional MIS Items including modems, software, and printers	78,267
CIBER Network Services Corporation (a City-approved information services vendor)	
Router Recommendations for Citywide Network	74,159
Four network servers, 107 PCs and related equipment at the four career centers	274,997
Hardware and Software for 1 server and 79 PCs at DHS site at 170 Otis Street	397,794
Backup Exchange Server and Switch for DHS site at 1650 Mission Street	41,083
Additional Software for the Southeast Campus at SFCCD and the Economic Development Department Building	27,828
Other items for various DHS sites	<u>21,527</u>
CIBER Network Services Corporation subtotal	\$837,388
Consulting Time	
One Department of Telecommunication and Information Services (DTIS) Consultant @ \$58.81/hour for 147.4 hours	<u>8,669</u>
Computer Equipment and Services subtotal	\$1,179,637
<u>Capital Improvements</u>	
Remodeling of the first & second floor of the DHS site at 1235 Mission Street (see Attachment)	\$476,909
Renovation and remodeling of the DHS site at 170 Otis Street (see Attachment)	23,790
Security Camera for the DHS site at 1440 Harrison Street (see Attachment)	7,000
Contractual Services for Architectural Designs (see Comment No. 5)	60,000
Remodeling of Southeast Campus of the SFCCD (see Comment No. 4)	<u>250,000</u>
Capital Improvements subtotal (see Attachment)	\$817,699
<b>TOTAL REQUEST</b>	<b>\$1,997,336</b>

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. DHS is currently working with the Department of Real Estate to lease a facility for the PAES Success Center.

2. The requested computer equipment and services are intended to provide welfare clients with: (1) training in INVEST software which provides low-skilled workers with skills such as reading, writing, and mathematics; (2) computers to prepare and print resumes and cover letters; and (3) access to internet and job databases for employment searches. According to Mr. Griffith, INVEST software has been used by clients at DHS's Success Center and provided clients with the necessary skills to find jobs. Additionally, DHS has identified local job links on the internet that list low-skill and entry level positions.

3. The Employment Specialist positions were created under the supplemental appropriation (File 101-97-39) previously approved by the Board of Supervisors to perform case management for CalWORKs and PAES clients.

4. DHS is currently leasing a portion of the Southeast Campus of the SFCCD for the Bayview neighborhood DHS outstation. Acting on the recommendation of the Mayor's Task Force on Welfare Reform, DHS will locate employees in neighborhood outstations where clients live and work. The DHS outstation at the Southeast Campus of the SFCCD will house 24 CalWORKs employees, a career center, and a computer lab. Mr. Griffith further advises that the subject request for \$250,000 for the remodeling of the DHS outstation at the Southeast Campus is based on estimates by an independent construction contractor.

5. The Bureau of Architecture provided DHS with an estimate of \$60,000 for additional architectural design work for DHS sites at: (1) SFCCD; (2) 3120 Mission Street; (3) 428 Bush Street; and (4) 170 Otis Street.

6. The Budget Analyst has reviewed a detailed budget for the \$1,179,637 request for the computer equipment, networking and services costs and has reviewed a detailed quotation for the contract with CIBER Network Services, Inc. as provided by DHS. The Budget Analyst has also reviewed

Memo to Finance Committee  
February 11, 1998 Finance Committee Meeting

a detailed budget for the \$817,699 request for capital improvements as provided by DHS.

7. This requested release of reserves totals \$1,997,336, or \$40,000 less than the total amount reserved of \$2,037,336 (\$1,837,336 reserved from the welfare reform supplemental appropriation approved by the Board of Supervisors in December, 1997 and \$200,000 reserved in the FY 1997-98 budget). Therefore, the remaining balance of \$40,000 can be deleted.

**Recommendations:** 1. Approve the release of reserved funds in the amount of \$1,997,337.

2. In accordance with Comment No. 7, request the Controller to return the \$40,000 balance of reserved monies to the General Fund.



## FY 97-98 Reserve Detail

Attachment  
Page 1 of 2

FACILITIES MAINTENANCE PROJECTS	Supplemental 97/98
1235 Mission Exterior	
1235 guard shacks (2)	5,600
1235 Mission All Site	
1235 signage	4,000
1235 security camera	42,000
1235 Mission 1st Floor (SEE PAGE 2 OF THIS ATTACHMENT)	
1st Floor Redesign	200,000
1235 Mission 2nd Floor	
1235 new entranceway	50,000
1235 new interviewing rms	30,000
1235 GATES conf rm	18,190
1235 Stairs	60,000
1235-2 Client Bathrooms	35,000
1235 Add 5 combo locks to doors	2,000
1235 Permit Costs at 15%	30,119
	<i>SUBTOTAL</i> 476,909
170 Otis	
chg#enclose 4 offices 170/1,4	790
170/1 add 2 group meeting	23,000
1440 Harrison	
1440 security camera	7,000
Other Sites	
architect design for 170 and 2 career centers	60,000
SE campus remodel	250,000
<b>All Facility Maintenance</b>	<b>\$ 817,699</b>

<i>First Floor Redesign of 1235 Mission</i>	
Demolition	\$ 40,000
Site Work	\$ 9,555
Rough/Finish Carpentry	\$ 1,650
Waterproofing	\$ 2,450
Doors/Windows/Hardware	\$ 4,750
Finishes	\$ 22,540
Specialties	\$ 2,355
Furnishings	\$ 45,855
Plumbing and Mechanical	\$ 9,440
Electrical	\$ 2,250
<i>Subtotal</i>	<i>\$ 140,845</i>
General Conditions	\$ 11,268
Supplemental Conditions	\$ 4,225
Overhead and Profit	\$ 8,451
Design Contingency	\$ 21,127
Estimating Contingency	\$ 14,085
<b>Total Cost</b>	<b>\$ 200,000</b>

Item 1d – File 98-139

**Department:** Sheriff's Department

**Item:** Hearing to release reserved funds in the amount of \$86,570 to fund the purchase of vans and computer equipment for the Treasure Island Jail Facility.

**Amount:** \$86,570

**Source of Funds:** General Fund Reserve - Treasure Island Brig, Established in the FY 1997-98 Budget

**Description:** In October of 1997, the Board of Supervisors approved a supplemental appropriation ordinance for the Sheriff's Department in the amount of \$1,699,955 (File 101-97-20) to fund costs associated with the staffing, operation, and capital improvements to the Naval Brig on Treasure Island. The \$1,699,955 appropriation was made from a \$2,100,000 General Fund Reserve that was established by the Board of Supervisors in the FY 1997-98 budget for the Naval Brig on Treasure Island.

Of the \$1,699,955 previously appropriated, \$100,000 was placed on reserve, including \$55,000 requested for the purchase of three vans and \$45,000 for computers and related equipment.

The \$55,000 appropriation for three vans was placed on reserve pending the outcome of negotiations with the Navy regarding the City's use of Navy vehicles. The Sheriff's Department is now requesting that two vans instead of three vans be purchased, based on the latest cost information for the vans. Attachment I to this report is a memorandum from Captain Jan Dempsey of the Sheriff's Department which addresses these matters. According to the Purchasing Department, the prior cost estimate by the Sheriff's Department of \$55,000 for the purchase of three vehicles approximates the cost for the two vans, equipped to transport prisoners, as is now being requested by the Sheriff's Department.

The \$45,000 appropriation for computers and related

equipment was placed on reserve pending completion of a final network design and a revised price quotation that corresponds more closely to the timing of the opening of the facility. Captain Dempsey reports that, based on the latest cost data, the request for the computer equipment has been reduced by \$13,430, from \$45,000 to \$31,570, for the computer equipment shown in Attachment II.

Budget:	Computer Equipment as shown in		
	Attachment II:	\$31 570	
	Two Vans as shown in		
	Attachment III	<u>55,000</u>	(\$27,500 each)
	Total	<u>\$86,570</u>	

**Recommendation:** Release the requested funding in the amount of \$86,570.

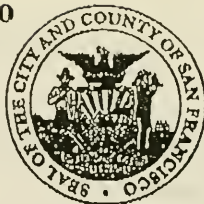
FEB-06-1998 11:13

SFSD ADMIN

4155547050 P.02

# City and County of San Francisco

## OFFICE OF THE SHERIFF



Michael Hennessey  
SHERIFF

(415) 554-7225

February 6, 1998

Ref: FS/1 98-016

Stan Jones  
Budget Analyst Office  
Board of Supervisors  
1390 Market Street, 10th Floor  
San Francisco, CA 94102

Dear Mr. Jones,

*Explanation for vehicles needed for Treasure Island*

At the time the supplemental was heard before the Finance Committee, the Sheriff's Department was in discussion with the Mayor's staff in an effort to secure vehicles left by the Navy on Treasure Island. Since that time, the Sheriff's Department has been informed by the Mayor's Office that only 1 truck and 1 van are available on Treasure Island for the Sheriff's Departments use. Additional vehicles are needed to meet the transportation needs at the jail facility located on Treasure Island.

The Sheriff's Department requests the release of \$55,000 for the purchase of two (2) - 8 passenger vans to be used for prisoner transportation at the Treasure Island Jail Facility. These vans are to be equipped with prisoner transport and emergency outfitting packages to accommodate the need to transport prisoners in a safe and secure fashion from the Treasure Island facility to our facilities as well as the courts in San Francisco. Vehicles are required to be durable to handle the frequent trips across the Bay Bridge and be able to respond to emergency situations for the facility and for the City and County of San Francisco.

Additionally, the vans will be utilized for hospital transportation and special visits when ordered by the courts.

If you have need of further information, please contact me at 554-7217.

FEB-06-1998 10:54

SFSD ADMIN

4155547050

P.02

02/06/98 09:58 To: Phil Fairbrother

From: Steve McKenna

510 428 1668 ch3

Page 2/2

PHONE 510-428-1036

DESKTOP PRODUCTS PRICE QUOTATION

FAX 510-428-1660

QTY	Description	Part Number	Unit Price	Extended Price
-----	-------------	-------------	------------	----------------

*Quotation for Phil Fairbrother, 2/6/98*

0	HP Vectra VL5 5/165MMX Model M2500 166MHz Pentium processor w/ MMX 256KB Synchronous Burst Cache 16-MB EDO RAM, expandable to 192-MB 1.44mb floppy drive 8.5-GB HD with enhanced IDE on PCI Local Bus Integrated 64-bit S3 Trio64 PCI video 2MB VRAM 1 ISA, 1 shared & 2 PCI slots; 3 drive bays Energy Star certified - Plug and Play HP DM-mouse & keyboard Loaded w/ either Win for Workgroups or Win95 3-year warranty - 1st year on-site	D4593A	\$1,085	\$9,765
0	Intel EtherExpress PRO10/100 PCI with Flash-10BT	PILA0465B	\$95	\$955
2	NEC A700-17" Flat Screen, 28mm, 1024x768 @ 75Hz	JCT736VVA	\$575	\$1,150
7	NEC A500-15" low radiation - 1024x768 @ 75Hz; 29mm	JCT576VMA	\$285	\$1,995
0	Lotus SmartSuite 87 (full copy, CD) (NOTE - no diskette version sold)	000560	\$410	\$3,690
0	Integration and configuration of system	SV-INT-OA	\$0	\$0
0	Delivery and on-site setup of system	SV-FS-BSET	\$0	\$0
7	HP LaserJet 4000TN, 17 PPM, 1200 dpl, 8mb EDO, Two 250 sheets FastScript Level 2 100mb Max parallel, serial, Ethernet, LocalTalk	C4121A	\$1,653	\$11,641

Sub-Total

\$28,096.00

Sales Tax

\$2,473.18

Grand Total

\$31,569.18

Additional comments:

Delivery Included

Basic on-site setup Included

Terms are Net 30

Delivery = 7 days ARO (pending availability)

Steve McKenna

Authorized Signature

pfe\_980206hp.xls, 2/6/98



## City and County of San Francisco

Attachment III  
Purchasing Department

## Central Shops

MEMORANDUM

To: Cedric Goo  
Sheriff's Department

Form: Dave Cowley *WDC*  
Central Shops

Subject: Cost of Vans

Date: February 6, 1998

---

I am writing you pursuant to our phone conversation on Friday, February 6, 1998. During that conversation you asked me to send you a memo regarding the cost of two, eight passenger vans equipped to transport prisoners.

I estimate that the cost for two 1999, eight passenger vans equipped to transport prisoners will be approximately \$55,000.

If you have any questions about this matter, please give me a call.



Item 2 - File 98-175

- Department:** Department of Public Health (DPH)
- Item:** Ordinance amending the Annual Appropriation Ordinance to add Section 12.4 relating to additional services by the Health Department.
- Description:** The proposed ordinance would amend the Annual Appropriation Ordinance by adding Section 12.4 to state that the Department of Public Health cannot expend funds or add staff resources to replace currently funded contractual services with services provided by City staff, without the specific prior approval of the Board of Supervisors.
- Comments:**
1. On February 2, 1998, the Board of Supervisors approved on passage for second reading a supplemental appropriation ordinance and an amendment to the Annual Salary Ordinance (Files 101-97-45 and 102-97-16) to appropriate \$1,033,415 and create 28.2 new positions for the Department of Public Health. These ordinances related to the cancellation of three Visiting Nurse Hospice Group (VNH) contracts and the assumption of such services by DPH's Health at Home Agency.
  2. At the time that the DPH requested approval from the Finance Committee of these ordinances, the DPH had already hired, on a temporary basis, all of the requested new positions. As a result, the Finance Committee and the full Board of Supervisors amended the legislation to provide for retroactive actions previously taken by the DPH.
- The proposed ordinance would prohibit the DPH from expending funds or adding City staff, in such circumstances, without the specific prior approval of the Board of Supervisors.
3. Given the Budget Analyst's consistent recommendation for all City departments to obtain prior approval from the Board of Supervisors before expending any funds or implementing related activities, the Budget Analyst recommends approval of the proposed ordinance.

Memo to Finance Committee  
February 11, 1998 Finance Committee Meeting

**Recommendation:** Approve the proposed ordinance.

Item 3 - File 98-155

**Department:** Department of Public Works (DPW)

**Items:** Resolution authorizing the Department of Public Works (DPW) to take necessary measures to protect the health and safety of the citizens of San Francisco by performing the necessary emergency work to repair the area along and adjacent to John Muir Drive between Skyline Boulevard and Lake Merced Boulevard.

**Amount:** \$300,000

<b>Source of Funds:</b>	1987 Street and Safety Improvement Bonds	\$150,000
	General Fund monies approved	
	in DPW's FY1997-98 budget	<u>150,000</u>
	<b>Total</b>	<b>\$300,000</b>

**Description:** According to Mr. Fernando Cisneros of the Department of Public Works (DPW), on January 18, 1998, two large trees located near the edge of John Muir Drive fell, blocked a brick channel, and caused a blockage of in the brick channel. Mr. Cisneros advises that the water level increased and spilled over the embankment onto John Muir Drive. This resulted in erosion of the shoreline between John Muir Drive and Lake Merced which caused the collapse of approximately 2,250 square feet of John Muir Drive. Mr. Cisneros reports that John Muir Drive has been closed to vehicular traffic since January 18, 1998.

On January 21, 1998, the DPW declared that an emergency existed. The proposed resolution declares the existence of an emergency and authorizes the DPW to proceed in the most expeditious manner to perform the necessary work to stabilize and repair the roadway and adjacent shoreline areas of John Muir Drive.

In accordance with Administrative Code Section 6.30, the DPW initiated emergency contract procedures and selected A. Ruiz Construction Company and Associates, Inc. to perform stabilization and clean-up of the roadway and adjacent shoreline area. Mr. Cisneros advises that A. Ruiz

Construction Company, Inc. is one of the contractors on DPW's "List of Emergency Contractors."

**Budget:**

The total estimated project cost is \$300,000 including approximately \$230,000 in contractual services and \$70,000 for DPW costs. The Attachment provided by Mr. Cisneros contains the budget details for the total estimated project costs of \$300,000.

**Comments:**

1. Mr. Cisneros advises that shortly after the DPW's declaration of emergency on January 21, 1998, DPW instructed A. Ruiz Construction Company, Inc. to perform the following repairs: (1) install metal sheet piles to the shore roadway; (2) secure area with fencing; (3) place sandbags to create a diversion of drainage flows; (4) reconnect drainage; (5) install silt screening behind sheet piles to prevent further erosion; (5) place signage for traffic; and (6) complete general clean-up of the area. This phase of the work was completed on January 27, 1998 at a cost of \$30,000 based on the bid of A. Ruiz Construction Company, Inc. DPW plans to enter into one additional contract at an estimated cost of \$200,000 to complete roadway and shoreline restoration.

2. As discussed above, stabilization and cleanup of the area along and adjacent to John Muir Drive began shortly after the DPW's declaration of emergency on January 21, 1998. Therefore, the proposed resolution should be amended to provide for retroactive approval. According to Mr. Cisneros, DPW estimates that all repair work will be completed by February 21, 1998 at which time John Muir Drive will reopen for vehicular traffic.

**Recommendation:** In accordance with Comment 2, amend the proposed resolution to provide retroactive approval and approve the resolution as amended.



## City and County of San Francisco

Department of Public Works  
Project Management

February 4, 1998

Ms. Angela Gengler, Budget Analyst  
Board of Supervisors  
Budget Analyst  
1390 Market Street, Suite 1025  
San Francisco, CA 94102

Subject: File 98-155

Dear Ms. Gengler:

Pursuant to your request, the following is the detailed breakdown of our projected estimate to perform the necessary emergency work to stabilize and repair the roadway and adjacent shoreline areas on John Muir Drive.

I.	Emergency Contract - Phase I: Stabilization/General Clean-Up	\$ 30,000.00
	A. Ruiz Construction Co. & Assoc., Inc.	
II.	Emergency Contract - Phase II: Roadway Restoration Project	\$200,000.00
	Contractor To Be Determined.	
III.	Department of Public Works	
	A. Bureau of Engineering (Design Services)	
	1. Hydraulic Section	\$ 5,000.00
	2. Landscape Architecture	\$ 5,000.00
	3. Streets and Highway Section	\$ 10,000.00
	4. Planning and Control (Permits)	\$ 2,500.00
	5. Project Management	\$ 9,500.00
	B. Bureau of Construction Management	
	1. Material Testing Lab	\$ 3,000.00
	2. Surveys	\$ 6,400.00
	3. Public Affairs	\$ 4,000.00
	4. General Construction Services	\$ 23,810.00
IV.	Permit Fees	
	A. State of California, The Resource Agency, Department of Fish and Games	\$ 132.00
	TOTAL:	\$299,342.00
	SAY:	\$300,000.00

If you have any further questions, please contact me at (415) 557-4643.

Sincerely yours,



Fernando Cisneros  
Project Manager  
Department of Public Works

Item 4 - File 98-96

- Department:** Department of Public Health (DPH)  
Department of Real Estate (DRE)
- Item:** Resolution authorizing a new lease of real property at 3801 Third Street for the Mental Health Division of the Department of Public Health (DPH)
- Comment:** Ms. Zmuda of the DPH has requested that this item be continued for two weeks.
- Recommendation:** Continue the proposed resolution for two weeks as requested by the Department.



Item 5 - File 98-104

**Department:** Department of Real Estate (DRE)

**Item:** Resolution approving and authorizing an agreement between the City and County of San Francisco, Mr. John L. Dominge, and the University of San Francisco, as seller, and Mr. Charles Figg and Ms. Lenore Schreiber, as buyer, providing for the sale of certain real property located at 365-367-369 Haight Street and 60 Laussat Street, San Francisco, including the City's undivided five-twelfths interest in such property, which was bequeathed to the City under the estate of Mr. John B. Fortunio, for a total gross sales price of \$619,000; finding that competitive bidding would be impractical or impossible for the sale of this property; adopting findings that the sale is consistent with the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1; and ratifying prior acts.

**Description:** Under the terms of his will, Mr. John B. Fortunio bequeathed his 50% interest in the property at 365-67-69 Haight Street and 60 Laussat Street (Property), consisting of a four unit apartment building, to the University of San Francisco (USF, 8.333% interest), and to the City and County of San Francisco (41.667% interest). The remaining 50% interest is held by Mr. John L. Dominge. Mr. Fortunio's will further dictated that the City's interest of 41.667% be allocated as follows: one-twelfth (8.333%) to the San Francisco Public Library for either (a) the purchase of books, (b) improvement of the library plant, or (c) the purchase of audio-visual equipment; two-twelfths (16.667%) to the Department of Public Health for the benefit of the Laguna Honda Hospital to be used for the purchase of food, clothing, medicine, entertainment equipment and other articles necessary for the benefit of the patients of the Hospital; and two twelfths (16.667%) to the Department of Public Health for the benefit of the San Francisco General Hospital (SFGH) AIDS Ward to be used for the purchase of food, clothing, medicine, entertainment equipment and other articles necessary for AIDS patients at SFGH.

The co-holders of the Property, including Mr. Dominge and USF both agreed to a sale of the subject Property to Mr.

Charles Figg and Ms. Lenore Schreiber, pending approval by the Board of Supervisors, in the amount of \$619,000 pursuant to a Contract for Sale and Purchase of Real Estate dated December 4, 1997 and a Counter-offer from Mr. Figg and Ms. Schreiber dated as of December 8, 1997 (together, the Agreement), copies of which are on file with the Clerk of the Board. In accordance with the terms and conditions of the Agreement, the payment of \$37,140 in broker's commission, to be paid to Coldwell Banker Residential Real Estate Services (agent for the seller) and TCO (agent for the buyer, Mr. Figg and Ms. Schreiber), would be deducted at the closing from the gross sales price. According to Mr. Steve Hoppe of DRE, the Property has an outstanding mortgage loan against it, which will be valued at approximately \$195,000 at time of the closing of escrow. This loan will also be deducted from the proceeds of the sale of the Property.

The \$7,000 in expenses of the Department of Real Estate in connection with the subject Property, estimated by Mr. DeLucchi, Director of Property, through the anticipated date of the close of escrow, would be deducted from the City's portion of the proceeds of the sale of the Property.

As such, the following represents the calculation of proceeds and allocation of proceeds from the sale of the Property.

Proceeds from Sale of Property

Total Gross Sales Price of Property	\$619,000
Less Real Estate Broker Commission	<u>37,140</u>
	581,860
Less Mortgage Loan	<u>195,000</u>
<b>Net Proceeds from Sale of Property</b>	<b>\$386,860</b>

Allocation of Net Proceeds from Sale of Property

50% to Mr. John L. Dominge	\$193,430
8.333% to USF	32,237
41.667%, or \$161,193, to the City and County of San Francisco, including:	
Administrative costs for DRE	7,000
Public Library	30,839
DPH/Laguna Honda Hospital	61,677
SFGH AIDS Ward	<u>61,677</u>
<b>Total Allocation of Net Proceeds</b>	<b>\$386,860</b>



**Comments:**

1. The co-interest holders in the Property, Mr. John L. Dominge (50%) and the USF (8.333%), were willing to consent to a sale of the Property so long as the Property was sold through a negotiated sale arranged by a licensed real estate broker, rather than through the City's public auction process. As such, according to Mr. Steve Hoppe of the Department of Real Estate, a negotiated sale of the Property was considered to be in the best interests of the City.
2. At the close of escrow, estimated to be the end of February, 1998, payment is to be made by Mr. Figg and Ms. Schreiber to the Old Republic Title Company, which will then pay the seller (including the City) with a cashier's check.
3. The Real Estate Department has determined that the purchase price of \$619,000 represents fair market value for the Property.
4. The Director of Planning, by letter dated December 28, 1994 (a copy of which is on file with the Clerk of the Board of Supervisors), found that the proposed sale of the Property is consistent with the City's General Plan and with the Eight Priority Policies of City Planning Code Section 101.1.

**Recommendation:** Approve the proposed resolution.



Item 6 - File 98-129

**Department:** Department of Real Estate (DRE)

**Items:** Resolution concurring with the Controller's certification that security services at two City-owned office buildings under the jurisdiction of the Department of Real Estate (DRE) can continue to be performed by a private contractor for a lower cost than similar services performed by City and County employees.

**Service to be Performed:** Security services

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which have been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the security services at two City-owned office buildings located at 1660 Mission Street and 25 Van Ness Avenue for Fiscal Year 1997-98 would result in estimated savings as follows:

1660 Mission Street

	Lowest Salary	Highest Salary
<u>Estimated City Costs</u>	<u>Step</u>	<u>Step</u>
Salaries	\$141,389	\$166,848
Fringe Benefits	<u>43,081</u>	<u>46,981</u>
Total	\$184,470	\$213,829
<u>Contractual Services Cost</u>	<u>(87,600)</u>	<u>(87,600)</u>
<u>Estimated Savings</u>	\$96,870	\$126,229

25 Van Ness Avenue

	Lowest Salary Step	Highest Salary Step
<u>Estimated City Costs</u>		
Salaries	\$141,389	\$166,848
Fringe Benefits	<u>43,081</u>	<u>46,981</u>
Total	\$184,470	\$213,829
<u>Contractual Services Cost</u>	<u>(89,683)</u>	<u>(89,683)</u>
<u>Estimated Savings</u>	\$94,787	\$124,146

**Comments:**

1. The Contractual Services Costs for both contracts are based on the contractors' bids for security services. According to Mr. Lucas, estimated City costs are the same at both 1660 Mission Street and 25 Van Ness Avenue locations because five security guards were needed at each location.
2. Mr. Allan Lucas of the DRE reports that security services were first certified as required in Charter Section 10.104 in 1994 (1660 Mission Street) and in 1992 (25 Van Ness Avenue) and have been provided by an outside contractor since then.
3. The proposed resolution would certify the second year of a contract with McCoy Patrol Service to provide security services at 1660 Mission Street retroactive from January 1, 1998 through December 31, 1998.
4. The proposed resolution would also certify a contract with Black Bear Security Service to provide security services at 25 Van Ness Avenue retroactive from November 1, 1997 through October 31, 1998.
5. The Controller's supplemental questionnaire with the Department's responses are shown in the Attachments to this report.

**Recommendation:** Amend the proposed resolution for retroactivity and approve the resolution as amended.

BOARD OF SUPERVISORS  
BUDGET ANALYST

## CHARTER 8.300-1 (PROPOSITION J) QUESTIONNAIRE

**Department:** Real Estate

**Contract Services:** Security Guard Service – 1660 Mission Street

**Contract Period:** 1/1/97 to 12/31/98

- (1) Who performed activity/service prior to contracting out? McCoy Patrol Service has provided security service beginning April 1, 1994, the date of initial building occupancy.
- (2) How many City employees were laid off as a result of contracting out? None.
- (3) Explain disposition of employees if they were not laid off? Not applicable.
- (4) What percentage of City employee's time is spent on services to be contracted out? None.
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out? Beginning April 1, 1994 - Ongoing.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year? 1993-94 - Yes.
- (7) How will contract services meet the goals of your MBE/WBE Action Plan? Proposed contract for FY 97-98 was awarded with H.R.C. approval.
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if it is not required, does the proposed contractor provide health insurance for its employees? No. They do not.
- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance? No. Contractor does not provide benefits to employees or spouses.

**Department Representative:** Allan B. Lucas  
Real Property Officer

**Telephone:** (415) 554-9866

## CHARTER 8.300-1 (PROPOSITION J) QUESTIONNAIRE

**Department:** Real Estate

**Contract Services:** Security Guard Service – 25 Van Ness Avenue

**Contract Period:** 11/1/96 to 10/31/98

- (1) Who performed activity/service prior to contracting out? McCoy Patrol Service has provided security service beginning July 1, 1992. Currently Black Bear Security Service is providing security service under the current contract beginning November 1, 1996.
- (2) How many City employees were laid off as a result of contracting out? None.
- (3) Explain disposition of employees if they were not laid off? Not applicable.
- (4) What percentage of City employee's time is spent on services to be contracted out? None.
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out? Beginning July 1, 1992 - Ongoing.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year? 1992-93 - Yes.
- (7) How will contract services meet the goals of your MBE/WBE Action Plan? Contract for FY 97-98 was awarded with H.R.C. approval
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if it is not required, does the proposed contractor provide health insurance for its employees? No. Yes, they do.
- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance? No. Contractor does not provide benefits to employees or spouses.

**Department Representative:** Allan B. Lucas  
Real Property Officer

**Telephone:** (415) 554-9866



Item 7 - File 98-130

**Department:** Department of Real Estate (DRE)

**Items:** Resolution concurring with the Controller's certification that janitorial services at two City-owned office buildings under the jurisdiction of Department of Real Estate (DRE) can continue to be performed by a private contractor for a lower cost than similar services performed by City and County employees.

**Service to be Performed:** Janitorial services

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which have been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the janitorial services at the two City-owned office buildings located at 1660 Mission Street and 25 Van Ness Avenue for Fiscal Year 1997-98 would result in estimated savings as follows:

**1660 Mission Street**

	Lowest Salary	Highest Salary
<u>Estimated City Costs</u>	<u>Step</u>	<u>Step</u>
Salaries	\$127,383	\$150,392
Fringe Benefits	<u>36,651</u>	<u>40,176</u>
Total	\$164,034	\$190,568
 <u>Contractual Services Cost</u>	 <u>(79,166)</u>	 <u>(79,166)</u>
 <u>Estimated Savings</u>	 \$84,868	 \$111,402

25 Van Ness Avenue

	Lowest Salary	Highest Salary
<u>Estimated City Costs</u>	<u>Step</u>	<u>Step</u>
Salaries	\$199,094	\$235,097
Fringe Benefits	<u>56,205</u>	<u>61,721</u>
Total	\$255,299	\$296,818
<u>Contractual Services Cost</u>	<u>(144,000)</u>	<u>(144,000)</u>
<u>Estimated Savings</u>	\$111,299	\$152,818

**Comments:**

1. The Contractual Services Cost for both contracts are based on the contractors' bids for janitorial services.
2. Mr. Allan Lucas of the DRE reports that janitorial services were first certified as required in Charter Section 10.104 in 1994 (1660 Mission Street) and in 1992 (25 Van Ness Avenue) and have been provided by an outside contractor since then.
3. The proposed resolution would certify the second year of the contracts with Ward's Building Maintenance, Inc. to provide security services at 1660 Mission Street retroactive from November 1, 1997 through October 31, 1998 and at 25 Van Ness Avenue retroactive from October 1, 1997 through September 30, 1998.
4. The Controller's supplemental questionnaire with the Department's responses are shown in the Attachments to this report.

**Recommendation:** Amend the proposed resolution for retroactivity and approve the resolution as amended.

## CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

**Department:** Real Estate

**Contract Services:** Janitorial Service – 1660 Mission Street

**Contract Period:** 11/1/96 to 10/31/98

- (1) Who performed activity/service prior to contracting out? Ward's Building Maintenance, Inc. has provided janitorial service beginning April 1, 1994, the date of initial building occupancy.
- (2) How many City employees were laid off as a result of contracting out? None.
- (3) Explain the disposition of employees if they were not laid off? Not applicable.
- (4) What percentage of City employee's time is spent on services to be contracted out? None.
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out? Beginning April 1, 1994 - Ongoing.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year? 1993-94 - Yes.
- (7) How will contract services meet the goals of your MBE/WBE Action Plan? Contract for FY 97-98 was awarded with H.R.C. approval.
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if required, are health benefits provided? No. They do not.
- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance? No. Contractor does not provide benefits to employees or spouses.

**Department Representative:** Allan B. Lucas  
Real Property Officer

**Telephone:** (415) 554-9866

## CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

**Department:** Real Estate

**Contract Services:** Janitorial Service - 25 Van Ness Avenue

**Contract Period:** ~~11/1/96 to 10/31/98~~ 10/1/96 - 9/30/98

- (1) Who performed activity/service prior to contracting out? Ward's Building Maintenance, Inc. janitorial service beginning July 1, 1992.
- (2) How many City employees were laid off as a result of contracting out? None.
- (3) Explain the disposition of employees if they were not laid off? Not applicable.
- (4) What percentage of City employee's time is spent on services to be contracted out? None.
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out? Beginning July 1, 1992 - Ongoing.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year? 1992-93 - Yes.
- (7) How will contract services meet the goals of your MBE/WBE Action Plan? Contract for FY 97-98 was awarded with H.R.C. approval
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if required, are health benefits provided? No. They do not.
- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance? No. Contractor does not provide benefits to employees or spouses.

**Department Representative:** Allan B. Lucas  
Real Property Officer

**Telephone:** (415) 554-9866

i:\AL\PropJ.doc

Item 8 - File 98-102

**Department:** Recreation and Park Department (RPD)

**Item:** Ordinance waiving competitive bid requirements for the Recreation and Park Commission's award of a contract to the San Francisco Conservation Corps for restoration activities in designated Significant Natural Resource Areas, and exempting the contract from prevailing wage requirements.

**Description:** The proposed legislation is an ordinance waiving the competitive bidding requirements for the Recreation and Park Department's (RPD) award of a contract to the San Francisco Conservation Corps (SFCC) for restoration activities in designated Significant Natural Resource Areas located throughout the City.

According to Ms. Joanne Wilson of the RPD, Significant Natural Resource Area is defined as RPD properties that meet all of the following criteria:

- A. contain naturally occurring biotic and/or geomorphic remnants of the indigenous landscape;
- B. conform to the State of California Department of Fish and Game criteria for presence of rare type of species or habitat, presence of ensemble type of species or habitat, presence of the best example of a type of species or habitat, and, presence of high diversity type of species or habitat;
- C. has special values of geology, riparian zones, or wildlife habitat;
- D. is a corridor or connector between natural areas;
- E. is a natural resource area which is vulnerable to degradation from an imminent ecological crisis, such as inundation by exotic plant species.

Ms. Wilson reports that there are approximately 30 such designated areas in the City, which are listed in the Attachment to this report, provided by RPD. These areas include native grasslands on Bernal Hill, avian habitat at Lake Merced, and the rare and diverse habitat areas in Glen Canyon Park.

The proposed ordinance would also exempt the RPD contract with SFCC for restoration of the Significant

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Natural Resource Areas from prevailing wage requirements, pursuant to Section A 7.204 of the City's Charter.

The SFCC is eligible to be exempt from prevailing wage requirements in its contracts with the RPD because SFCC meets the conditions for exemption set forth in Section A 7.204(b) of the City Charter. Section A 7.204(b) provides that the Board of Supervisors may, by resolution, exempt from the prevailing wage requirement any contract where the work is to be performed by a non-profit organization that provides job training and work experience for disadvantaged individuals in need of such training and experience, and the non-profit organization either (1) has a board of directors appointed by the Mayor or (2) exists primarily to design and build urban gardens, yards, and play areas. SFCC is a non-profit organization that provides job training and work experience for disadvantaged individuals. It has a board of directors appointed by the Mayor and exists primarily to design and build urban gardens, yards, and play areas.

**Comments:**

1. Mr. Ernie Prindle of the Recreation and Park Department reports that RPD wishes to award one negotiated contract in the amount of \$75,000 per year for a maximum of three years for the restoration of designated Significant Natural Resource Areas to the San Francisco Conservation Corps (SFCC) without the use of a competitive bidding process, even though the expenditure involved exceeds \$50,000, because the work experience of disadvantaged individuals under the SFCC will best serve the public interest by having a significant positive impact on the economic health of the City.
2. Mr. Prindle reports that the RPD contract with the SFCC is primarily to fund weed removal and control in Significant Natural Resource Areas, which is activity consistent with the Master Plan.
3. According to Mr. Prindle, \$75,000 was included in the RPD FY 1997-98 budget for restoration of designated Significant Natural Resource Areas. The source of funding is the Open Space Fund.



Memo to Finance Committee  
February 11, 1998 Finance Committee Meeting

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

It is not the function of the SNRAMP to identify, inventory and maintain elements of park property which are not remnants of the original natural landscape, such as playgrounds, golf courses and ballfields. It is recognized, however, that certain parks that are characterized by a nonindigenous landscape are naturalistic, and as such, contribute to the biodiversity of the region by providing wildlife habitat. An example of such a park includes the vegetation of Stern Grove which supports many species of birds. These "naturalistic" parks are generally prioritized in Rank C in recognition of the fact that the park does not meet all of the criteria listed above (particularly criterion A).

Staff developed an evaluation matrix using the above criteria and suggested the following initial priority ranking of properties for "significant natural resource area" designation:

Following supplemental field inventories, this ranking may be revised based on site specific programs. Field work may also show that a particular park should be a higher priority because it is threatened by an immediate ecological crisis, pursuant to criterion E.

All or PART of the following parks would be considered candidates for significant natural areas.

#### Rank A

Bayview Park  
Glen Canyon Park  
Mt. Davidson  
Twin Peaks  
Lake Merced

#### Rank B

Bernal Hill  
Corona Heights  
Golden Gate Park: Oak Woodland/  
Strawberry Hill  
Billy Goat Hill  
Grandview Park  
Tank Hill

#### Rank C

Stern Grove/Pine Lake  
Brooks Property  
Lincoln Park  
Dorothy Erskine  
Rolph Nicol (southern edge)  
Interior Greenbelt

#### Rank B

Golden Gate Heights (western edge)  
Rock Outcrop  
McLaren Park (south)  
Marsh near McNab Lake  
Buena Vista Park  
Sharp Park: Selected Natural Areas  
Kite Hill

#### Rank C

Mountain Lake Park  
Golden Gate Park: Selected Lakes/  
Park Presidio  
Edgehill Mountain Open Space  
Fairmont Park  
Zoo

#### COMMENTS:

The program would focus on San Francisco park property and Sharp Park, however, Camp Mather may receive some review. Although the Zoo and Palace of Fine Arts (Lagoon) are included (Rank C), these sites may be questionable as natural areas.

Item 9 - File 98-108

**Item:**

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday June 2, 1998, for the purpose of submitting to the qualified voters of the City and County a proposition to incur bonded indebtedness in the principal amount of \$95,000,000 for the acquisition, construction, and/or reconstruction of a new museum facility in Golden Gate Park to replace the M.H. de Young Memorial Museum, including funding for improvements to Golden Gate Park in the areas appurtenant to, or which provide access to, the de Young Museum; waiving the time limit requirements of Section 2.34 of the San Francisco Administrative Code relating to the time of adoption of this ordinance before the election; waiving certain requirements of the Administrative Code requiring General Plan Referral Reports and submission of the proposed capital improvement projects to the Capital Improvement Advisory Committee; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest thereof; and consolidating said Special Election with the General Municipal Election to be held June 2, 1998.

**Description:**

The proposed ordinance would authorize submission of a Proposition to the electorate for purposes of using General Obligation Bonds to fund a new M.H. de Young Memorial Museum.

Financing for a new 283,000 square foot de Young Museum facility (the existing facility is 230,000 square feet) at an estimated total cost of \$134,110,000 would be funded (a) by \$89,900,000 in General Obligation Bonds to be authorized by the electorate and (b) private financing in the amount of \$44,210,000 to be raised by the de Young Museum Trustees under a public/private partnership between the City and the de Young Museum Trustees. The new museum would be built at the same Golden Gate Park location as the existing de Young Museum, following demolition of the existing de Young Museum

General Obligation Bonds in the amount of \$89,900,000 would be issued (see Comment Nos. 1), which is the amount equal to the cost estimate for the seismic and code compliance work. Museum Trustees plan to raise private

funds in the amount of \$44,210,000 to pay for the remaining costs of the new Museum, including expanded building area, site improvements, furniture, fixtures and equipment, and all museum exhibition related fixtures, including cases, displays, and computer technology.

**Budget:**

A summary budget for the \$89,972,000 estimated project budget for the publicly funded General Obligation Bond portion of the new de Young Museum is as follows:

General Construction	\$56,248,000
Hazardous Materials	9,360,000
Other Project Costs	
Fees and Permits	\$17,967,000
Relocation of Collection	3,509,000
Temporary Bracing Repayment	<u>2,888,000</u>
Total Other Project Costs	<u>24,364,000</u>
Total Project Budget	\$89,972,000

Attachment I to this report is a budget provided by the Fine Arts Museums for the cost of \$89,972,000 (see Comment No. 1) to be funded by General Obligation Bonds. This project budget represents the estimated cost of the seismic and code compliance work required. Attachment II to this report, provided by the Fine Arts Museums, is a budget for the construction of a new de Young Museum with a total estimated project cost of \$134,110,000.

**Comments:**

1. A resolution declaring the public interest and necessity for the construction of a new de Young Museum requiring the issuance of \$89,900,000 in General Obligation Bonds is pending approval before the Board of Supervisors.
2. Administrative Code Section 2.34 requires that any resolution determining that the public interest or necessity demand the acquisition, construction, or completion of any municipal improvement that requires the incurring of General Obligation bonded indebtedness on behalf of the City must be adopted by the Board of Supervisors not less than 141 days before the election at which said proposal is to be acted upon by the voters, and the ordinance submitting the bond measure to the voters must be adopted by the Board of Supervisors not less than 99 days before it is to be acted upon by the voters.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The proposed ordinance would waive such time requirements. According to Mr. Jesse Smith of the City Attorney's Office, Section 2.34 expressly provides that such time limits may be waived by the Board of Supervisors. The time requirements in Section 2.34 are required to be waived because the resolution determining the public interest and necessity (file 98-109) is scheduled to be considered by the Board of Supervisors on February 9, 1998, which is 114 days before the election to be held on June 2, 1998, or 27 days fewer than the 141 days required by the Administrative Code.

3. According to Ms. Deborah Frieden of the Fine Arts Museums, the latest estimated project budget for the public portion of the new museum is \$89,972,000. The previous estimate was \$95,000,000. Ms. Frieden reports that of the \$89,972,000, the Fine Arts Museum intends to request the issuance of only \$89,900,000 with the remaining \$72,000 (\$89,972,000 budget less the proposed bond issuance of \$89,900,000) to be funded with the private monies raised by the Museum Trustees. In summary, the total estimated budget for the new de Young Museum is \$134,110,000, of which \$89,900,000 will be publicly funded with General Obligation Bonds and \$44,210,000 will be funded with private contributions raised by the Museum Trustees.

4. In 1996, the Board of Supervisors approved a ordinance (File 170-96-7) determining and declaring that the public interest and necessity demand the acquisition, construction and/or reconstruction by the City to replace the de Young Museum and all other works, property and structures necessary or convenient for the foregoing purposes, at an estimated cost of \$73,267,000. According to Ms. Frieden, the \$16,705,000 difference in cost, or a nearly 23 percent cost increase, between the 1996 estimated cost of \$73,267,000 and the current estimated cost of \$89,972,000 results from inflation and other factors. Attachment III, provided by Ms. Frieden, provides a detailed explanation of the cost differential.

5. The subject ordinance does not provide funding to pay for a visitor parking facility related to the de Young Museum.

6. According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, State law provides for a legal debt limit of 3 percent of net assessed property value. The Mayor's Office of Public Finance has calculated the City's Debt Limit Ratio as follows:

Total Debt Limit at 7/1/98	1,757,867, 490
Outstanding General Obligation	
Bonds at 1/1/98	<u>839,865,000</u>
Remaining General Obligation Capacity	\$918,002,490

If the subject bond issue of \$89,900,000 proposed for the June 2, 1998 ballot were to be approved by voters, the remaining General Obligation bonding capacity would be \$828,102,490. However, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

7. The proposed ordinance provides that the \$89,900,000 in General Obligation Bonds shall bear interest at a rate not to exceed 12 percent per annum. According to Ms. Monique Moyer of the Mayor's Office of Public Finance, assuming the bonds are issued in an interest environment which reflects norms for the past ten years, the de Young Museum bonds would bear a true interest cost of 6.075%. Upon issuance of the entire \$89,900,000, average annual debt service would be approximately \$7,851,000 and total debt service would be \$157,037,623 for the proposed 20 year bond period.

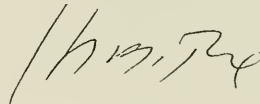
According to Ms. Moyer, if the bonds were issued at this time, the interest rate would be approximately 4.84%, average annual debt service would be approximately \$7,060,934 and total debt service would be \$141,493,271 for the proposed 20 year bond period.

8. According to Mr. John Madden of the Controller's Office, if \$89,900,000 in bonds were to be issued, the bonds would result in an increase in the Property Tax rate of approximately \$0.0107 per \$100 of assessed value. At this rate, the owner of a single family residence assessed at \$400,000 would pay \$42.05 in additional annual Property Taxes beginning in FY 2001-02, when the bonds have been sold.



9. Approval of the proposed ordinance would authorize a proposition to be placed on the June 2, 1998 ballot which, if approved by the voters, would authorize the issuance of \$89,900,000 in General Obligation Bonds. However, all future expenditure appropriations of the bond proceeds for this project, including the appropriation for the bond issuance costs, would be subject to separate appropriation approval by the Mayor and the Board of Supervisors.

- Recommendation:**
1. In accordance with Comment No. 3, amend the proposed request by reducing the authorized bond amount by \$5,100,000 from \$95,000,000 to \$89,900,000.
  2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Teng  
President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Gail Feldman  
Matthew Hymel  
Stephen Kawa  
Ted Lakey

TABLE 2 - Page 1 of 2  
M.H. de YOUNG MEMORIAL MUSEUM  
Proposed Public Project Budget

Seismic Renovation and Code Compliance Work - Cost Estimate

I. GENERAL CONSTRUCTION			\$ x 1,000
A.	Basement Excavation & Foundations		740
B.	Load Bearing Walls, Columns & Bracing		2,821
C.	Floor & Roof Structures		2,200
D.	Exterior Cladding, Windows & Doors		869
E.	Roofing, Waterproofing & Skylights		921
	Shell (A-E)		7,551
F.	Interior Partitions, Doors & Glazing		1,308
G.	Floor, Wall & Ceiling Finishes		5,617
	Interiors (F-G)		6,925
H.	Function Equipment & Specialties		1,874
I.	Stairs & Vertical Transportation		474
J.	Plumbing Systems		913
K.	Heating, Ventilating & Air Conditioning		6,201
L.	Electric Lighting, Power, Communications, etc.		5,897
M.	Fire Protection Systems		745
	Mechanical & Electrical (J-M)		13,756
	Building (A-M)		30,580
N.	Site Preparation & Demolition		1,816
O.	Site Paving, Structures & Landscaping		445
P.	Utilities on Site		365
	Site Work (N-P)		2,626
	Building and Site (A-P)		33,206
	Scope Development Contingency	15.0%	4,981
	General Conditions	9.0%	3,437
	Contractor's Overhead & Profit	5.0%	2,081
	Planned Construction Cost in Jan. 1998		43,705
	Allowance for Cost Rise to June 2002*	17.0%	7,430
	Construction Contingency	10.0%	5,113
<b>TOTAL GENERAL CONSTRUCTION</b>			<b>56,248</b>

\* Annual inflation rate utilized is 4.0% compounded annually

TABLE 2 - Page 2 of 2  
M.H. de YOUNG MEMORIAL MUSEUM  
Proposed Public Project Budget

Seismic Renovation and Code Compliance Work - Cost Estimate

		\$ x 1,000
I.	GENERAL CONSTRUCTION TOTAL (from Page 1)	56,248
II.	HAZARDOUS MATERIALS	9,360
	Per DPH Estimate - See Section II.C.	
III.	OTHER PROJECT COSTS	
	% of G.C. Total	
A.	Fees & Permits	
1.	Environmental Impact Report	500
2.	Professional Design Fees	12.0% 6,750
3.	Civil & Geotechnical Engineering	0.1% 56
4.	Permits & Plan Check Fees	1.25% 703
5.	Inspections and Testing	2.0% 1,125
6.	Bonds & Insurance	1.3% 731
7.	Utility Fees	250
8.	Project & Construction Management	5,757
9.	City Agency Fees	1.0% 562
10.	Bond Legal and Financing Management Fees	1,283 *
11.	General Project Legal Fees	250
	Subtotal	17,967
B.	Relocation	
1.	Relocation and Temporary Accommodation Costs	3,041
2.	Asian Wing Modifications	468
	Subtotal	3,509
C.	Temporary Bracing Repayment	2,888
	TOTAL OTHER PROJECT COSTS	24,364
	<u>RECOMMENDED PROJECT BUDGET</u>	<u>89,972 **</u>

\*Bond fees as provided by the Mayor's Office of Public Finance

\*\* This publicly funded cost of \$89,972,000 will be applied to a new de Young Museum, with a total estimated budget of \$134,110,000, as detailed in Attachment II.

TABLE 3 - Page 1 of 2  
M.H. de YOUNG MEMORIAL MUSEUM  
Total Proposed Project Cost Estimate

New de Young Concept Plan

I. GENERAL CONSTRUCTION		\$ x 1,000	
A.	Basement Excavation & Foundations		2,929
B.	Load Bearing Walls, Columns & Bracing		6,285
C.	Floor & Roof Structures		8,045
D.	Exterior Cladding, Windows & Doors		7,075
E.	Roofing, Waterproofing & Skylights		3,284
	Shell (A-E)		27,618
F.	Interior Partitions, Doors & Glazing		3,426
G.	Floors, Wall & Ceiling Finishes		6,330
	Interiors (F-G)		9,756
H.	Function Equipment & Specialties		2,845
I.	Stairs & Vertical Transportation		1,081
J.	Plumbing Systems		1,240
K.	Heating, Ventilating & Air Conditioning		7,717
L.	Electric Lighting, Power, Communications, etc.		7,084
M.	Fire Protection Systems		1,015
	Mechanical & Electrical (J-M)		17,056
	Building (A-M)		58,356
N.	Site Preparation & Demolition		1,850
O.	Site Paving, Structures & Landscaping		2,418
P.	Utilities on Site		318
	Site Work (N-P)		4,586
	Building and Site (A-P)		62,942
	General Conditions	9.0%	5,665
	Contractor's Overhead & Profit	5.0%	3,430
	Planned Construction Cost in Jan. 1998		72,037
	Allowance for Cost Rise to June 2002*	17.0%	12,246
	Construction Contingency	5.0%	4,214
TOTAL GENERAL CONSTRUCTION			88,497

\* Annual inflation rate utilized is 4.0% compounded annually

## TABLE 3 - Page 2 of 2

## M.H. de YOUNG MEMORIAL MUSEUM

## Total Proposed Project Cost Estimate

## New de Young Concept Plan

		\$ x 1,000
I.	GENERAL CONSTRUCTION TOTAL (from Page 1)	88,497
II.	HAZARDOUS MATERIALS*	4,680
III.	OTHER PROJECT COSTS	
A.	Fees & Permits	
1.	Environmental Impact Report	500
2.	Professional Design Fees	12.0% 10,620
3.	Civil & Geotechnical Engineering	0.1% 88
4.	Permits & Plan Check Fees	1.25% 1,106
5.	Inspections and Testing	2.0% 1,770
6.	Bonds & Insurance	1.3% 1,150
7.	Utility Fees	250
8.	Project & Construction Management	6,484
9.	City Agency Fees	1.0% 885
10.	Bond Legal and Financing Management Fees	1,283 **
11.	General Project Legal Fees	500
	Subtotal	24,636
B.	Relocation	
1.	Relocation and Temporary Accommodation Costs	3,041
2.	Asian Wing Modifications	868
	Subtotal	3,909
C.	Temporary Bracing Repayment	2,888
D.	Furniture, Fixtures & Equipment	9,500
	TOTAL OTHER PROJECT COSTS	40,933
	<u>RECOMMENDED PROJECT BUDGET</u>	<u>134,110</u>

\* Hazardous materials work will be conducted concurrently with the building demolition. Amount shown is an allowance for costs exceeding normal demolition costs including surveying, consultant fees, monitoring and waste removal.

\*\* Bond fees as provided by the Mayor's Office of Public Finance.

## CHANGES TO THE COSTS

The construction cost estimate used in 1996 was thoroughly re-reviewed by the construction cost estimators who prepared the Department of Public Works Seismic Assessment of the de Young Museum. The following are the key changes to the cost estimates resulting in the increases since 1996.

### A. Inflation

The construction costs reflect actual inflation of 6% per year for 1996 and 1997 to January 1, 1998. Since construction is not expected to commence until at least June, 2002, the estimate carries a 4% per year inflation allowance. While the 1998 cost estimate reflects inflation at a higher than anticipated rate (in the 1996 proposal, it was 4.5%), it is based on the real experience of Northern California/Bay Area construction. Furthermore, the inflation of 4% per year out to the year 2002 is lower than the 4.5% anticipated in the 1996 proposal, for a net reduction of 2%.

\$ 7,965,000

Hazardous Materials and Other Project Costs did not include any allowance for anticipated inflation in the 1996 proposal. In addition, the current proposal does not include any inflation increases for years 1996 and 1997. However, the 1998 costs now reflect anticipated inflation from 1998 out to 2002 at the rate of 4% per year.

2,451,000

### B. Architectural, Design and Engineering Fees

These costs have been increased from 10.5% to 12% based upon the advice of the construction cost estimators regarding the market rates for highly complex projects, particularly museum projects requiring architectural design excellence as well as unique technical and planning expertise.

1,680,000

### C. Permit, Plan Check Fees; Project and Construction Management

These costs have been increased to reflect the comments and suggestions by the Department of Public Works to our 1996 proposal, but received too late to incorporate. See attached letter.

3,559,000

### D. Bond Management, Legal and Financing Fees

These costs have been provided by the Mayor's Office of Public Finance.

1,050,000

\$16,705,000



0.25

2/98

MINUTES

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

FEB 19 1998

SAN FRANCISCO  
PUBLIC LIBRARY

REGULAR MEETING

WEDNESDAY, FEBRUARY 18, 1998 - 1:00 P.M. VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS MABEL TENG, BARBARA KAUFMAN, GAVIN NEWSOM

CLERK: JONI BLANCHARD

Meeting Commenced: 1:12 p.m.

REGULAR MATTERS

1. File 27-97-13. [Airline Lease Modification] Resolution approving Modification No. 13 of Lease and Use Agreement between United Air Lines, Inc. and City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

SPEAKERS: Harvey Rose, Budget Analyst; Peter Nardoza, S.F. Airport - support.

ACTION: Hearing held. Recommended.

2. File 98-0217. [Federal Funding - Community Development] Resolution approving the 1998 Community Development Program, authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 1998 Community Development Block Grant (CDBG) Entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the S.F. Redevelopment Agency up to \$38,046,000 which include indirect costs of \$120,000; approving expenditure schedules for recipient departments and agencies and for indirect costs, and, determining no environmental evaluation is required, authorizing the receipt and deposit in contingencies of 1998 CDBG entitlement funds in excess of \$24,969,000. (Mayor's Office of Community Development)

SPEAKERS: Harvey Rose, Budget Analyst; Ed Harrington, Controller; Matthew Hymel, Director, Mayor's Office of Finance; Ted Lakey, Deputy City Attorney; Steve Kawa, Director, Office of Legislative Affairs; Margine Sako, Director, Mayor's Office of Community Development - support; Roger Sanders, Mayor's Office of Community Development - support; Kathy Garza, Citizens' Committee on Community Development - support; Marcia Rosen, Director, Mayor's Office of Housing - support; Angelo Butler, Bayview Hunters Point Foundation Community Defender - requested funding; William Marquis, S.F. Senators, Inc. - requested funding; Norma Tecson, Filipino-American Council - requested funding; Fia Carlos-Valentino, Office of Samoan Affairs - requested funding; Rev. Yvette Flunder, Ark of Refuge - requested funding; Alma Robinson, California Lawyers for the Arts - requested funding; Leilani Nishime, California Lawyers for the Arts - requested funding; William Jackson, S.F. Shipyards Training Center - requested funding; Larry Fleming, Visitation Valley Job & Employment Training (VVJET) - requested funding; Marjorie Ann Williams, VVJET, requested funding; Calvin Welch - Council of Community Housing Organizations - expressed concerns; Miguel Wooding - expressed concerns.

ACTION: Hearing held. Amendment of the Whole (with new title) adopted. (See new title). Recommended as amended.

New Title: [Federal Funding - Community Development]  
Resolution approving the 1998 Community Development Program, authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 1998 Community Development Block Grant (CDBG) Entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the S.F. Redevelopment Agency up to \$38,046,000 which include indirect costs of \$120,000; approving expenditure schedules as amended herein for recipient departments and agencies and for indirect costs, and, determining no environmental evaluation is required, authorizing the receipt and deposit of 1998 CDBG entitlement funds in excess of \$24,969,000; prohibiting the use of contingency funds; requiring separate budgetary listings of the Mayor's Community Development and Housing activities; reserving \$3,027,589. (Mayor's Office of Community Development)

3. File 98-0218. [Federal Funding - Emergency Shelter Grants Program]  
Resolution approving the 1998 Emergency Shelter Grants Program and expenditure schedule and authorizing the Mayor on behalf of the City and County of San Francisco to apply for, accept, and expend a \$984,000 entitlement under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development. (Mayor's Office of Community Development)

SPEAKERS: Harvey Rose, Budget Analyst; Margine Sako, Director, Mayor's Office of Community Development - support.

ACTION: Hearing held. Amended on page 1, beginning on line 5 after "development" to add "; placing \$215,000 on reserve."; amended on page 2, beginning on line 15 after "Development" to add "; and, be it FURTHER RESOLVED, That the Board of Supervisors places \$215,000 set aside in the Emergency Shelter Grants Pool on reserve pending submission of budget details, to be released by the Finance Committee." (See new title). Recommended as amended.

New Title: [Federal Funding - Emergency Shelter Grants Program] Resolution approving the 1998 Emergency Shelter Grants Program and expenditure schedule and authorizing the Mayor on behalf of the City and County of San Francisco to apply for, accept, and expend a \$984,000 entitlement under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development; placing \$215,000 on reserve. (Mayor's Office of Community Development)

4. File 98-0219. [Federal Funding - HOME Program] Resolution authorizing the Mayor of the City & County of San Francisco to apply for, accept, and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed \$6,585,000 for the HOME Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME Program Description as described in the 1998 Action Plan for San Francisco's Consolidated Plan. Indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant Funds. (Mayor's Office of Community Development)

SPEAKERS: Harvey Rose, Budget Analyst; Marcia Rosen, Director, Mayor's Office of Housing - support.

ACTION: Hearing held. Amended on page 1, beginning on line 9 after "funds" to add "; and adding reporting requirements."; amended on page 2 beginning on line 14 after "Development" to add "; and, be it FURTHER RESOLVED, That the Mayor's Office of Housing shall report to the Finance Committee of the Board of Supervisors within ten (10) days of the completion of a funding agreement with a developer under the HOME Program requirements; and, be it FURTHER RESOLVED, That the Budget Analyst of the Board of Supervisor. shall review and report to the Finance Committee on the HOME Program project agreements with sufficient information regarding project plans and actual construction, administrative and other relevant project cost analysis." (See new title). Recommended as amended.

New Title: [Federal Funding - HOME Program] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept, and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed \$6,585,000 for the HOME Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME Program Description as described in the 1998 Action Plan for San Francisco's Consolidated Plan. Indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant Funds; and adding reporting requirements. (Mayor's Office of Community Development)

5. File 98-0212. [General Obligation Bonds, Series 1998A] Motion awarding Bonds and fixing definitive interest rates for \$20,000,000 Taxable General Obligation Bonds (Affordable Housing) Series 1998A; see File 170-97-10.1). (Mayor's Office of Finance and Legislative Affairs)

SPEAKERS: John Taylor, Clerk of the Board - support; Laura Opsahl, Mayor's Office of Finance - support.

ACTION: Hearing held. Amendment of the Whole (as introduced by Clerk of the Board with same title) adopted. Motion approved by the Finance Committee.

6. File 98-0093. [MOU, Local 250-A (Classification 7410)] Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between Transport Workers Union, Local 250-A (Classification 7410) and the City and County of San Francisco providing that all covered employees be placed into full retirement contribution status effective December 27, 1997 following approval of this ordinance by the Mayor. (Department of Human Resources)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Amended on line 5 between "San Francisco" and "providing" and on line 13 before "providing" to insert "retroactively". (See new title). Recommended as amended.

New Title: [MOU, Local 250-A (Classification 7410)] Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between Transport Workers Union, Local 250-A (Classification 7410) and the City and County of San Francisco retroactively providing that all covered employees be placed into full retirement contribution status effective December 27, 1997 following approval of this ordinance by the Mayor. (Department of Human Resources)



7. File 98-0094. [MOU, Local 250-A (Multi-Unit)] Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between Transport Workers Union, Local 250-A (Multi-Unit) and the City and County of San Francisco providing that all covered employees be placed into full retirement contribution status effective December 27, 1997 following approval of this ordinance by the Mayor. (Department of Human Resources)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Amended on line 5 before "providing" and on line 12 between "San Francisco" and "providing" to insert "retroactively". (See new title). Recommended as amended.

New Title: [MOU, Local 250-A (Multi-Unit)] Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between Transport Workers Union, Local 250-A (Multi-Unit) and the City and County of San Francisco retroactively providing that all covered employees be placed into full retirement contribution status effective December 27, 1997 following approval of this ordinance by the Mayor. (Department of Human Resources)

8. File 98-0095. [MOU, Local 200] Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between Transport Workers Union, Local 200 and the City and County of San Francisco providing that all covered employees be placed into full retirement contribution status effective December 27, 1997 following approval of this ordinance by the Mayor. (Department of Human Resources)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Amended on line 4 between "San Francisco" and "providing" and on line 12 between "San Francisco" and "providing" to insert "retroactively". (See new title). Recommended as amended.

New Title: [MOU, Local 200] Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between Transport Workers Union, Local 200 and the City and County of San Francisco retroactively providing that all covered employees be placed into full retirement contribution status effective December 27, 1997 following approval of this ordinance by the Mayor. (Department of Human Resources)

9. File 98-0099. [MOU, Local 856 (Multi-Unit)] Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between Teamsters, Local 856 and the City and County of San Francisco providing that all covered employees be placed into full retirement contribution status effective June 30, 1998 following approval of this ordinance by the Mayor. (Department of Human Resources)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

10. File 98-0131. [MOU, Locals 250, 535 and 790] Ordinance implementing an agreement adjusting the compensation of certain classifications pursuant to the Memorandum of Understanding between the Service Employees International Union, AFL-CIO, Locals 790, 535 and 250 and the City and County of San Francisco, to be effective March 1, 1998. (Department of Human Resources)

SPEAKERS: Harvey Rose, Budget Analyst; Alice Villagomez, Department of Human Resources - support.

ACTION: Hearing held. Recommended.

11. File 98-0132. [MOU, Arbitrator's Award, Locals 250, 535 and 790] Ordinance implementing the Arbitrator's Award dated November 6, 1997 adjusting the compensation of 9212 Airfield Safety Officers pursuant to the Memorandum of Understanding between the Service Employees International Union, AFL-CIO, Locals 790, 535 and 250 and the City and County of San Francisco, such award to be effective retroactively to October 7, 1995. (Department of Human Resources)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

12. File 98-0234. [Lease of Real Property, 3119 Mission Street] Resolution authorizing a lease of real property at 3119 Mission Street, for the Department of Human Services. (Mayor Willie L. Brown, Jr.)

SPEAKERS: Harvey Rose, Budget Analyst; Harry Quinn, Dept. of Real Estate - support.

ACTION: Hearing held. Recommended.

13. File 98-0235. [Lease of Real Property, 1428 Bush Street] Resolution authorizing lease of real property at 1428 Bush Street, for the Department of Human Services. (Mayor Willie L. Brown, Jr.)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

VOTE ON ALL ITEMS WAS 3 - 0.

Meeting Adjourned: 3:45 p.m.



0.25  
7  
8/98  
CITY AND COUNTY



OF SAN FRANCISCO

DOCUMENTS DEPT.

FEB 18 1998

SAN FRANCISCO  
PUBLIC LIBRARY

## BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

February 13, 1998

TO: Finance Committee

FROM: Budget Analyst *Recommendations for meeting of*

SUBJECT: February 18, 1998 Finance Committee Meeting

Item 1 - File 27-97-13

Department: Airport Commission

Item: Resolution approving Modification No. 13 of Lease and Use Agreement between United Air Lines, Inc. (United), and the City, acting by the through the Airport Commission.

#### Effective Date of

Lease Modification: The effective date of the proposed legislation.

#### Description:

On July 1, 1981, United Air Lines, Inc., and the City and County of San Francisco entered into a 30-year Lease and Use Agreement (Agreement) for United to lease from the Airport certain space in the North and International Terminal Buildings.

The proposed resolution would modify the Lease and Use Agreement between United and the Airport to reflect a decrease of 2,995 square feet in Category I space and an increase of 648 square feet in Category II space in the North Terminal.

Airport space categories are defined as follows:

Category I	Ticket Counters and Hold Rooms
Category II	Ticket Counter Back Offices, VIP Clubs, Baggage Claim Lobbies
Category III	Administrative and Operations (including storage space)
Category IV	Baggage Handling areas

The reason for the modifications to the amount of leased space is that the Airport desires to use the Category I space currently occupied by United to develop additional Airport concessions. The Lease and Use Agreement would be amended to reflect a net decrease of 2,347 square feet (2,995 square feet less 648 square feet) in the North Terminal, as follows:

<u>Category</u>	<u>Square Feet</u>		<u>Difference</u>
	<u>Current</u>	<u>Proposed</u>	
Category I	70,542	67,547	(2,995)
Category II	74,388	75,036	648
Category III	57,432	57,432	-0-
Category IV	<u>134,538</u>	<u>134,538</u>	<u>-0-</u>
Total	336,900	334,533	(2,347)

**Comment:**

Ms. Dorothy Schimke of the Airport advises that the net decrease of 2,347 square feet of space leased to United will result in a decrease of \$190,158 annually in rental revenue from United. However, Ms. Schimke reports that the planned development of the space for three concessions would result in additional revenues to the Airport of approximately \$220,000 annually, based on a conservative estimate.

**Recommendation:**

Approve the proposed resolution.

Item 2 - File 98-217

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Resolution approving the 1998 Community Development Program and authorizing the Mayor to apply for, receive and expend the City's 1998 Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development (HUD) estimated to be \$24,969,000. The proposed resolution would also transfer and expend program income generated by the San Francisco Redevelopment Agency of up to \$13,077,000 for a total 1998 CDBG Program of up to \$38,046,000. The proposed resolution would also (a) approve expenditure schedules for recipient City departments and agencies, including indirect costs of \$120,000, (b) determine that no environmental evaluation is required and (c) authorize the receipt and deposit of any funds in excess of the entitlement of 1998 CDBG entitlement of \$24,969,000 be placed in a Contingency Fund.

**Description:** Refer to the Budget Analyst's separate report of February 13, 1998 on the Mayor's proposed 1998 Community Development Program.



Item 3 - File 98-218

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Resolution approving the 1998 Emergency Shelter Grants Program and expenditure schedule and authorizing the Mayor on behalf of the City and County of San Francisco to apply for, accept, and expend a \$984,000 entitlement under the Emergency Shelter Grants Program for the U.S. Department of Housing and Urban Development.

**Grant Amount:** \$984,000

**Grant Period:** April 1998 through March 1999

**Source of Funds:** U.S. Department of Housing and Urban Development (HUD) Emergency Shelter Grants Program (ESGP)

**Description:** The HUD Emergency Shelter Grants Program was first established under the Stewart B. McKinney Homeless Assistance Act in July, 1987. The program is designed (1) to help improve the quality of existing emergency shelters for the homeless, (2) to help make available additional emergency shelters, and (3) to help meet the costs of operating emergency shelters in order to provide certain essential social services to homeless individuals so that those persons have access to the support services they need to improve their situations.

The Mayor's Office of Community Development (MOCD) is responsible for administering and monitoring the Emergency Shelter Grants Program (ESGP). Funds from the ESGP are budgeted under five categories, three program categories (Essential and Social Services, Maintenance and Operating Expenses and Homeless Prevention Services), and two other categories, MOCD Administration and an Emergency Shelter Grants Pool.

The MOCD advises that grant funds in the amount of \$984,000 from the 1998 ESGP (\$300,000 greater than the 1997 ESGP allocation of \$684,000) would be allocated to 27 projects (including administration and the grants pool) under the five categories identified above involving 20 non-profit homeless service providers and shelters.

Descriptions of the 27 projects including administration and the grants pool selected for funding by MOCD are as follows:

**ESSENTIAL AND SOCIAL SERVICES**

These grants would assist in funding staff at homeless shelters for shelter management and for the provision of social services to shelter residents.

**American Red Cross \$6,800**

**Homeless Prevention Program**

**1440 Harrison Street**

This component of their grant would be used for a portion of the Account Specialist's salary. The American Red Cross Bay Area Homeless Prevention Program provides rental assistance to low-income San Francisco residents.

**Asian Women's Shelter \$24,300**

The grant would continue to help fund the salary of a House Manager and a Women's Advocate. The Asian Women's Shelter provides emergency shelter and support services to battered monolingual Asian women and their children.

**Catholic Charities of the Archdiocese of \$23,000**

**San Francisco/ St. Joseph's Village**

**814 Mission Street, 3rd Floor**

The grant would be used for staff costs to operate a child care center for homeless families.

**Dolores Street Community Services \$30,450**

**1249 Alabama and 24th**

The grant would be used to help fund the Case Manager position. Dolores Street Community Services provides emergency shelter and support services at three adult shelters.

**La Casa de las Madres \$35,400**

The grant would be used to provide for a Women's Advocate and a Facility Assistant. La Casa de las Madres provides shelter and advocacy services to 167 women and 182 children, as well as counseling and referrals to 2,640 crisis-line callers.

**Salvation Army - Lifeboat Lodge \$14,780**

**240 Turk Street**

The grant would help fund the full-time salary of a Case Worker. The Salvation Army - Lifeboat Lodge provides emergency shelter services to homeless men.



<b>Swords to Plowshares</b> <b>995 Market Street, 3rd Floor</b> The grant would help fund a part-time social worker, a part-time claims assistant and a contracted clinical psychologist. The Swords to Plowshares program provides outreach and legal services to homeless veterans.	<b>\$38,600</b>
<b>United Council of Human Services</b> <b>1345 Ocean Avenue</b> The grant would help pay a portion of a counselor's time at the Center. The United Council of Human Services provides free hot meals, clothing, and job referral and employment services to low-income and homeless people in the Tenderloin and Bayview Hunters Point Community.	<b>\$11,681</b>
<b>Volunteer Legal Services Program -</b> <b>Bar Association of San Francisco</b> <b>Homeless Advocacy Project (HAP)</b> <b>685 Market Street, Suite 700</b> The grant would partially fund eight positions. Staff recruit, train, and supervise volunteer attorneys and paralegals who would provide legal services to clients in matters such as eviction defense and obtaining public benefits and housing. HAP provides legal and social services to San Francisco residents in danger of becoming homeless.	<b>\$40,006</b>
<b>Subtotal</b>	<b>\$225,017</b>

**MAINTENANCE AND OPERATING EXPENSES**

These grants would pay basic operating expenses at homeless shelters and other homeless support organizations.

<b>Asian Women's Shelter</b> <b>location confidential</b> This grant would pay for more beds, utilities, insurance, food, and cleaning products (i.e. soap, laundry detergent, etc.).	<b>\$31,700</b>
<b>Catholic Charities of the Archdiocese of</b> <b>San Francisco</b> <b>814 Mission Street, 3rd Floor</b> Overhead expenses, including supplies, phone, travel and audit of their project activities.	<b>\$2,000</b>

**Central City Hospitality House - Orlando House** **\$10,000**  
**66 Moss Street**

The grant would pay for utilities, telephone, insurance, repairs, maintenance, client supplies and furniture. The Central City Hospitality House - Orlando House is a shelter for runaway and homeless youths aged 15 to 17.

**Central City Hospitality House** **\$10,300**  
**146 Leavenworth Street**

The grant would pay for telephone, utilities, insurance, janitorial supplies, toothpaste, soap, shampoo, beds, and lockers. The Central City Hospitality House is a shelter for homeless men.

**Dolores Street Community Services** **\$10,550**  
**1249 Alabama and 24th Street**

The grant would pay for rent, utilities and supplies.

**Episcopal Community Services of** **\$31,000**  
**San Francisco**  
**201 Eighth Street**

The grant would be used to pay for rent, food, office supplies, utilities and telephone. The Episcopal Community Services of San Francisco provides shelter, rehabilitation services, and case management services to homeless men and women.

**Friendship House Association of** **\$24,600**  
**American Indians**  
**80 Julian Avenue**

The grant would pay for rent, insurance, audits, utilities, telephone, postage, and office supplies. The Friendship House Association of American Indians provides residential alcohol and drug abuse treatment services to American Indian women and men.

**Hamilton Family Center** **\$43,000**  
**1525 Waller Street**

The grant would pay for rent and utilities. Hamilton Family Center is a homeless family shelter that provides meals, preschool programs, on-site medical clinic, children's therapy, and family case management.

**La Casa de las Madres** **\$41,900**  
**location confidential**

The grant would pay for rent, utilities, telephone and minor repairs to the shelter.

**Larkin Street Youth Center - Diamond**  
**Youth Center** **\$54,000**  
**536 Central Avenue**

The grant would pay for hot meals, utilities, telephone, clothing, laundry, insurance and lockers. The Larkin Street Youth Center - Diamond Youth Center provides emergency shelter and support services for 12 to 17 year old runaways and homeless youths.

**Salvation Army - Lifeboat Lodge** **\$35,220**  
**240 Turk Street**

The grant would be used to pay for equipment, food, linen, janitorial supplies, toiletries, and chairs and benches for the waiting area.

**St. Vincent de Paul Society** **\$20,000**

The grant would be used to pay for building repair and maintenance of the Riley Center, the agency's program for battered women and children.

**United Council of Human Services** **\$59,319**  
**1345 Ocean Avenue**

The grant would help pay for food, insurance, utilities, and office equipment. The United Council of Human Services provides free hot meals, clothing, and job referral and employment services to low-income and homeless people in the Tenderloin and Bayview Hunters Point Community.

**Volunteer Legal Services Program -** **\$9,994**  
**Bar Association of San Francisco**  
**Homeless Advocacy Project (HAP)**  
**685 Market Street, Suite 700**

The grant would partially fund operating expenses for the project. HAP provides legal and social services to San Francisco residents in danger of becoming homeless.

**Subtotal** **\$383,583**

**HOMELESS PREVENTION SERVICES**

These grants would fund programs dedicated to preventing homelessness and to assisting the homeless in obtaining governmental benefits.

**American Red Cross** **\$61,200**

**Homeless Prevention Program**

**1440 Harrison Street**

The grant would pay for one-time rental assistance for individuals and families facing eviction because of an inability to pay rent. The American Red Cross Bay Area - Homeless Prevention Program provides rental assistance to low-income San Francisco residents.

**Compass Community Services - (formerly  
Traveler's Aid of San Francisco)** **\$50,000**

**942 Market Street, 6th Floor**

The grant would help pay for hotel rooms for homeless families. Compass Community Services provides emergency shelter for homeless families.

**Subtotal** **\$111,200**

**MOCD ADMINISTRATION** **\$49,200**

The amount of \$49,200 represents five percent of the total ESGP grant award of \$984,000. This amount will partially fund the salaries of a program administrator (50%) and an accountant (25%) at the MOCD, for a combined .75 FTE of staff time, to administer the proposed grants. The amount of \$49,200 for MOCD administration in 1998 represents an increase of \$15,000 or 44 percent from the 1997 budget allocation of \$34,200.

**EMERGENCY SHELTER GRANTS POOL** **\$215,000**

MOCD advises that HUD is increasing the Emergency Shelter Grants Program to the City by \$300,000 from \$684,000 in 1997 to \$984,000 in 1998. Of this increase of \$300,000, \$85,000 will be used to augment currently funded projects and \$215,000 will be placed in an Emergency Shelter Grants Pool to be allocated to projects at a later time.

**TOTAL** **\$984,000**

**Project Budget:**

**Essential and Social Services (23% of Total Grant)**

<u>Description</u>	<u>Amount</u>
American Red Cross Bay Area SF	\$6,800
Asian Women's Shelter	24,300
Catholic Charities/St. Joseph's Village	23,000
Dolores Street Community Services	30,450
La Casa de las Madres	35,400
Salvation Army - Lifeboat Lodge	14,780
Swords to Plowshares	38,600
United Council of Human Services	11,681
Volunteer Legal Services Program - Bar Association of San Francisco	<u>40,006</u>
Subtotal	\$225,017

**Maintenance and Operating Expenses (39% of Total Grant)**

<u>Description</u>	
Asian Women's Shelter	\$31,700
Catholic Charities/St. Joseph's Village	2,000
Central City Hospitality House - Orlando House	10,000
Central City Hospitality House	10,300
Dolores Street Community Services	10,550
Episcopal Community Services of San Francisco	31,000
Friendship House Association of American Indians	24,600
Hamilton Family Center	43,000
La Casa de las Madres	41,900
Larkin Street Youth Center - Diamond Youth Center	54,000
Salvation Army - Lifeboat Lodge	35,220
St. Vincent de Paul Society	20,000
United Council of Human Services (The)	59,319
Volunteer Legal Services Program	<u>9,994</u>
Subtotal	\$383,583



**Homeless Prevention Services (11% of Total Grant)**

<u>Description</u>	
American Red Cross Bay Area SF	\$61,200
Compass Community Services	<u>50,000</u>
Subtotal	\$111,200

**MOCD Administration (5% of Total Grant)** \$49,200

**Emergency Shelter Grants Pool (22% of Total Grant)**

Subtotal \$215,000

GRAND TOTAL \$984,000

**Required Match:** \$984,000 will be provided by the Department of Human Services (DHS) from General Funds monies approved in the FY 1998-99 Budget. A description of these funds is provided in Comment 1.

**Indirect Costs:** None

**Comments:** 1. Mr. Jon Pon reports that a total of \$984,000 has been allocated from FY 1998-99 General Fund monies approved in the budget from the Department of Human Services. These include:

Compass - Hotel Rooms	\$609,618
Compass - Clars House	241,500
Compass Childcare	121,515
Compass Family Support Center	<u>11,367</u>
Total	\$984,000

2. The proposed grant allocation of \$984,000 for 1998 represents a \$300,000 or 44 percent increase over the 1997 budget allocation of \$684,000. A total of \$215,000 of this \$300,000 increase has been set aside in an Emergency Shelter Grants Pool for future designated projects.

3. The MOCD reports that it conducted a Request for Proposal (RFP) process in June of 1997 to homeless service providers and shelter operators. In July of 1997, the MOCD received 20 applications requesting \$1,055,036 in ESGP funds in response to the RFP process. A total of 25 project applications were selected and are the subject of this report.



4. The MOCD has prepared a Disability Access Checklist, which is on file with the Clerk of the Board.

5. Four projects totalling \$300,000, received new or increased funding in 1998 over the amounts allocated in 1997. Therefore, we consider approval of such projects to be a policy matter for the Board of Supervisors. The four projects subject to new or increased funding are as follow:

<u>Project</u>	<u>1998 Proposed Funding</u>	<u>1997 Funding Allocation</u>	<u>Amount of New or Increased Funding</u>
Catholic Charities/ St. Joseph's Village	\$25,000	\$5,000	\$20,000
United Council of Human Services	71,000	21,000	50,000
MOCD Administration	49,200	34,200	15,000
Emergency Shelter Grants Pool	<u>215,000</u>	<u>0</u>	<u>215,000</u>
Totals	\$360,200	\$60,200	\$300,000

6. Because \$215,000 has been set aside in the Emergency Shelter Grants Pool for future projects, these funds should be reserved pending submission of budget details to the Finance Committee.

- Recommendations:**
1. Approve funding in the amount of \$684,000 (\$984,000 less the increased funding levels of \$300,000).
  2. As noted in Comment No. 5 above, we consider approval of \$300,000 in increased funding levels to be a policy matter for the Board of Supervisors.
  3. Reserve \$215,000 set aside in the Emergency Shelter Grants Pool pending submission of budget details to the Finance Committee.



Item 4 – File 98-219

**Department:** Mayor's Office of Housing (MOH)

**Item:** Resolution authorizing the Mayor to apply for, accept and administer a grant from the U.S. Department of Housing and Urban Development (HUD) for the HOME Investment Partnership Program authorized under Title II of the National Affordable Housing Act of 1990 and approving the HOME Program description as described in the Preliminary 1998 Action Plan for the City and County<sup>1</sup> Indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant (CDBG) funds.

**Grant Amount:** Not to exceed \$6,585,000

**Grant Period:** April 1, 1998 to March 31, 1999

**Source of Funds:** U.S. Department of Housing and Urban Development (HUD)

**Project:** Home Investment Partnership (HOME) Program

**Description:** The HOME Program is authorized under Title II of the National Affordable Housing Act of 1990 (Public Law Number 101-625). The Act provides funds for the acquisition, rehabilitation and development of privately-owned affordable housing.

In August, 1994, HUD issued regulations requiring that beginning in 1995, a Consolidated Plan be developed for (a) the HOME Program, (b) the Housing Opportunities for People With AIDS (HOPWA) Program and (c) the Community Development Block Grant Program (CDBG). In response, the MOH has developed a "Preliminary 1998 Action Plan for the City and County of San Francisco,

---

<sup>1</sup> The "Preliminary 1998 Action Plan for the City and County of San Francisco, Draft for Public Review," dated January 16, 1998, contains the City's plans and programs for privately-owned housing, totaling \$49,362,193, as shown on the following page. The "final" 1998 Action Plan will reflect the program funding requests approved by the Board of Supervisors in this subject HOME Program legislation, and legislation being considered by the Finance Committee (see File 98-217 of the Budget Analyst's report to the Finance Committee of February 18, 1998).

Draft for Public Review." The MOH advises that the Preliminary 1998 Action Plan, when finalized to reflect the program funding to be approved by the Board of Supervisors for the three programs enumerated above, will function as the MOH grant application for HOME Program funding from HUD. MOH must submit the 1998 Action Plan to HUD by February 25, 1998. According to the Preliminary 1998 Action Plan for privately-owned housing development and administrative costs, the MOH anticipates receiving \$6,585,000 for the HOME Program, or \$344,000 more than the 1997 allocation of \$6,241,000.

The Preliminary 1998 Action Plan for privately-owned housing developments in San Francisco totals \$49,362,193, including the proposed \$6,585,000<sup>2</sup> HOME grant allocation and the following other sources of housing funds:

HUD HOME Funds:

Proposed New 1998 Funds (Subject of this request)	\$6,585,000
Uncommitted HOME Funds from Prior Years	<u>0</u>
Subtotal HOME Funds	\$6,585,000

Other Federal Sources

Community Development Block Grant (CDBG)	\$5,500,000
HUD HOPWA funds	<u>6,684,193</u>
Subtotal Other Federal Sources	\$12,184,193

Local Sources

Code Enforcement Rehabilitation Fund (CERF) (CERF funds are received from the State Franchise Tax Board as a result of disallowed deductions and penalties from taxpayers with San Francisco Housing Code violations)	\$ 100,000
San Francisco Redevelopment Agency (SFRA)	
Tax Increment Funds	5,500,000
Hotel Tax Funds	4,000,000
Homeownership Assistance Loan Repayments	993,000
Proposition A (Affordable Housing and Home Ownership General Obligation Bond Funds, 1996)	<u>20,000,000</u>
Subtotal Local Sources	\$30,593,000
Total Projected Funds for Privately-Owned Housing Developments in 1998	\$49,362,193

<sup>2</sup> Includes a 10 percent administrative allocation of \$658,500, as shown in the "Budget" section of this report.

The proposed total 1998 HOME Program funds of \$6,585,000 represents approximately 13.3 percent of the total \$49,362,193 in projected funds for privately-owned housing development in San Francisco. These funds are dedicated for privately-owned housing development. None of these funds would be used by the San Francisco Housing Authority or for other public housing projects; instead, all of these funds, excluding the administrative costs for MOH, would be allocated by the City to private or non-profit developers for privately-owned housing.

Procedures for allocating HOME Program funds were approved by the Board of Supervisors in August, 1992 (File 68-92-4.1) and revised in February, 1994 (File 68-94-7). (These procedures outline broad criteria and a process to follow for allocating the HOME Program funds, such as how to notice the availability of housing funds to interested parties, how to evaluate the funding proposals, specific underwriting criteria, etc.). Projects which are eligible for HOME funding are as follows:

1. Projects, which are funded for capital construction or rehabilitation of housing units to be owned and managed by the applicant, must be occupied by households with incomes that do not exceed 60% of the median income as established by HUD.
2. First-time home ownership assistance must be provided only to low income persons with household incomes that do not exceed 80% of median income as established by HUD.

HOME regulations require that a minimum of 15 percent of the City's proposed 1998 HOME allocation of \$6,585,000, or \$987,750 be reserved for housing developed, sponsored or owned by non-profit Community Housing Development Organizations (CHDOs). According to Mr. LaTorre, nearly all of San Francisco's affordable housing development efforts in recent years have been conducted in collaboration with local community-based non-profit housing development corporations, several of which have satisfied HUD requirements to qualify as CHDOs. CHDOs are expected to continue performing the roles that non-profit housing development corporations

have traditionally performed in San Francisco, including acquisition and rehabilitation of existing buildings, acquisition of sites and development of new housing and ownership and management of subsidized developments.

**Budget:** The proposed \$6,585,000 in HOME Program funds for the period of April 1, 1998, through March 31, 1999, would be expended as follows:

	<u>Remaining Prior Years Funds</u>	<u>Proposed Funding (Subject of this Request)</u>	<u>Total Funds</u>
Supportive Housing			
Existing projects	0	\$1,200,000	\$1,200,000
Tenant-based Rental assistance	0	36,474	36,474
Family Rental Housing			
Pipeline projects <sup>3</sup>	0	3,302,785	3,302,785
Housing for Single Persons			
Existing projects	0	500,000	500,000
Senior Rental Housing Contingencies			
Program Pool	0	565,708	565,708
(existing projects to be determined)	0	<u>321,533</u>	<u>321,533</u>
Subtotals	0	\$5,926,500	\$5,926,500
Administrative Expenses	0	<u>658,500</u>	<u>658,500</u>
Total	0	\$6,585,000	\$6,585,000

**Required Match :** \$1,646,250 (25 percent of the \$6,585,000 grant total)

**Indirect Costs:** Indirect costs of \$120,000 for General City purposes will be paid from CDBG funds for the HOME Program and the CDBG Program.

**Comments:** 1. According to Mr. LaTorre, the 25% matching fund requirement of \$1,646,250 is anticipated to be provided from Hotel Tax funds. In 1998, the MOH is anticipating receiving an estimated total of \$4 million in Hotel Tax

---

<sup>3</sup> Pipeline projects are new housing developments that have previously received funding from MOH. As shown and further described on the following page, the total amount allocated for pipeline projects for the 1998 HOME Program is \$3,302,785.



funds, which was appropriated in the Fiscal Year 1997-98 budget to be used for the development of low-income housing for seniors and physically disabled residents. Mr. LaTorre reports that \$1,646,250 of these Hotel Tax expenditures will be used as matching funds for the proposed HOME Investment Partnership Program grant.

2. Projects for the period April 1, 1998, through March 31, 1999, have been identified for use of the subject requested funds, as follows:

New Construction of Family Rental	
Housing, 150 Britton St.	\$671,185
New Construction of family Rental	
Housing, 1 Church St.	<u>2,631,600</u>
	\$3,302,785

According to Mr. LaTorre, at 150 Britton Street, a total of 92 new rental units would be developed, consisting of, 63 two-bedroom units, 21 three-bedroom units, and 8 four-bedroom units. Mr. LaTorre reports that at 1 Church Street, a total of 94 new rental units would be developed, consisting of 28 one-bedroom units, 37 two-bedroom units, and 29 three-bedroom units

An additional \$2,623,715<sup>4</sup> is requested for two projects for which allocations have not yet been finalized (rehabilitation of the Clayton Hotel, consisting of 82 single-room occupancy units, and the Midori Hotel, consisting of 77 single-room occupancy units) and for increased funding for loan pools for an estimated 50 rental housing units, which are to be allocated pursuant to the existing criteria and procedures for allocating HOME Program funds, which were adopted by the Board of Supervisors in 1994.

3. HOME regulations limit expenditures for payment of reasonable administrative and planning costs of the HOME Program to an amount of HOME funds that is not more than ten percent of the fiscal year HOME basic formula allocation. The proposed resolution would

---

<sup>4</sup> This additional \$2,623,715 for existing projects and tenant-based rental assistance in addition to the new construction projects listed above totaling \$3,302,785, equals the subtotal of \$5,926,500 shown in the budget on the previous page.

authorize administrative costs of \$658,500 (ten percent of the total grant request) of which \$150,000 (\$50,000 each) is proposed to be allocated to the Chinese Community Housing Corporation, the Mission Housing Development Corporation, and the Tenderloin Neighborhood Development Corporation (the Community Housing Development Organizations). However, MOH has actually budgeted a total of \$700,101 for administration of the HOME Program, as follows:

#### HOME Administrative Budget

Community Housings Development Organizations	\$150,000
Catholic Charities	13,526
Mayor's Office of Housing Administration (See Attachment I)	<u>536,575</u>
Total	\$700,101

The administrative budget of \$536,575 includes 5.95 positions for the MOH. Attachment I also lists the positions and the salary amounts for each position.

4. According to Mr. Roger Sanders of MOH, the funding sources for the difference of \$41,601 between the HUD maximum grant allowance of \$658,500 (10 percent of the HOME Program) for administration and the HOME Program administrative budget of \$700,101, are shown in Attachment II.

5. Section 1.C. of MOH Criteria and Procedures for allocating HOME Program funds requires that the Director of the Mayor's Office of Housing submit an Annual Report, due on March 30 of each year for the preceding calendar year, to the Board of Supervisors providing an accounting of all HOME program funds received by the City and how the funds were expended, including specific project information. According to Mr. LaTorre, the most recent Annual Report, for calendar year 1996, was submitted to the Board of Supervisors as part of the City's Consolidated Annual Performance Report submitted to HUD, dated April 30, 1997.

6. In accordance with procedures developed by the MOH and previously approved by the Board of Supervisors,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

loans to private developers may be interest bearing or interest free and loan principal to the private developers may be deferred. The terms under which interest and/or principal are paid by the developer are determined by the Mayor based on the financial feasibility of each project. According to Mr. LaTorre, the reason that the Mayor may decide not to charge interest to private developers or may decide to defer loan repayments due from private developers is that private developers may have agreed to establish very low rents in their privately-developed affordable housing, thereby resulting in the developers' inability to make interest and/or principal payments. The attached memorandum (Attachment III) from Mr. LaTorre explains how MOH will document financial information provided by private developers which could result in the Mayor deciding (a) not to charge interest to private developers, and/or (b) permitting private developers to defer their loan repayments to the City.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

1-30-1998 11:05AM FROM MAYOR'S HOMELESS OFC 415 262 3118 Attachment I

## Mayor's Office of Housing HOME Administrative Expenditure Schedule 1998

Pgm	Grant	Mat	ID	Line Item	Description	Sub-Object	Administration
	MOHM98	21H		Class	Title	FTE	\$ 340,648
	MOHM98	21H		1369	Special Assistant X	3.50	\$176,855 *
	MOHM98	21H		1371	Special Assistant XIV	0.50	\$29,408
	MOHM98	21H		1373	Special Assistant XII	1.00	\$74,698
	MOHM98	21H		1632	Senior Account Clerk	0.20	\$7,827
	MOHM98	21H		5404	Special Assistant Program	0.25	\$23,372
	MOHM98	21H		9774	St community Development	0.50	\$28,488
	MOHM98	21H	Personnel		Labor Costs	5.95	\$340,648
	MOHM98	21H	Personnel		Labor Costs Fringes @.21		\$ 71,536
	MOHM98	21H	Personnel		Labor Costs Total		\$412,184
	MOHM98	21H	Personnel		Salary Savings @.05		\$ (20,609)
	MOHM98	21H	Conferences & Travel		Conference Travel		\$ 5,000
	MOHM98	21H	Drayage/Freight		File Safe		\$ 500
	MOHM98	21H	Equipment		Lease Photocopier		\$ 5,000
	MOHM98	21H	Equipment		Maintenance & Repair		\$ 1,000
	MOHM98	21H	Equipment		Auto Fuel & Maintenance		\$ 1,000
	MOHM98	21H	Legal & Display Advertising				\$ 1,000
	MOHM98	21H	Memberships				\$ 1,500
	MOHM98	21H	Postage				\$ 2,500
	MOHM98	21H	Printing				\$ 5,000
	MOHM98	21H	Rental Space		25 Van Fleet Lease		\$ 50,000
	MOHM98	21H	Supplies		Office Supplies		\$ 5,000
	MOHM98	21H	Telecommunications		Telephone Services		\$ 5,000
	MOHM98	21H	Training				\$ 2,500
	MOHM98	21H	TOTAL				\$476,575
	MOHM98	21H	Professional Services		Environmental Review		\$ 15,000
	MOHM98	21H	Professional Services		City Planning		\$ 10,000
	MOHM98	21H	Professional Services		City Attorney		\$ 25,000
	MOHM98	21H	Professional Services		Real Estate		
	MOHM98	21H	Professional Services		ADA		
	MOHM98	21H	Professional Services		Other		\$ 10,000
	MOHM98	21H	Total HOME				\$ 536,575

\*\$50,530 per FTE

Post-It* Fax Note 7671		Date 2/9	Page 1
To Stan Jones	From M.H.T.N.		
Co./Dept.	Co.		
Phone #	Phone # 554-7642		
Fax # 399-1064	Fax #		

2-10-1998 1:05PM FROM MAYOR'S HOMELESS OFC 415 252 3118 Attachment II

02/10 '98 08:30 ID: HARVEY M. ROSE FAX: 415-252-0461

**MEMORANDUM****MAYOR'S OFFICE OF HOUSING**

February 9, 1998

TO: Martin Gustavson

FROM: Joe LaTorre *[Signature]*

SUBJECT: Funding Sources for MOH Programs, 1998-99

Here is my projection of anticipated revenues from non-CDBG and HOME sources to offset program expenses for MOH during the 1998-99 CDBG/HOME program year:

Source	Amount	Comment
Nonprofit Performing Arts Loan Program	\$2,301	Based on interest received during 1997 (1/3 of interest available for admin.)
Housing Development Fund	\$23,000	Based on approx. 0.4 FTE for staff administering Condo conversion program
Code Enforcement Rehabilitation Fund	\$16,300	Based on approx. 0.25 FTE for staff administering CERF rehab program
<b>TOTAL:</b>	<b>\$41,601</b>	

The balance of any funds remaining in the source funds are allocated to supporting the program activities for which the funds were created.

Cc: Roger Sanders ✓  
Daryl Higashi

Post-It® Fax Note	7671	Date	2-10	PM	pages	1
To	Rolando Garmas	From	M. Gustavson			
Co. Dept.	MOCD	Co.	Andrew Garmas			
Phone #	252-3174	Phone #	554-7642			
Fax #	252-3118	Fax #	252-0461			



02/13/98 FRI 11:45 FAX 415 252 3140

MAYOR - HOUSING

Attachment III

Page 1 of 3

001

# FAX TRANSMISSION MEMORANDUM

## MAYOR'S OFFICE OF HOUSING

NUMBER OF PAGES (INCLUDING COVER SHEET): 3  
IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL (415) 252-3188

February 13, 1998

TO: Stan Jones, Budget Analyst

FROM: Joe LaTorre 

SUBJECT: Determination of Eligibility for Repayment and/or Interest Deferral or Forgiveness for HOME Program Loans

Per your request for additional information, please note that the Criteria and Procedures for Allocating Home Program Funds approved by the Board of Supervisors in January 1994 provide that "The Mayor shall determine the terms under which interest and/or principal shall be paid by Developer. ... For all HOME-assisted projects other than those funded under the RMF Program, deferred loans may be structured so as to require payment at the end of the Term, or to be forgiven, depending on the financial feasibility of the project. RMF loans may not be forgiven under any circumstances."

Financial feasibility is based on the proposed structure of rents and operating expenses of the development and upon the availability and requirements of other funding sources for the development. In most cases, MOH seeks to regulate rents at as low a level as possible, which precludes the possibility of payment of debt service (whether principal or interest). In addition, restricted rents limit the market value of the property, meaning funds might not be available at the end of the loan term to repay the loan.

Documentation of the proposed rent structure, operating budget, and sources and uses of development funds is provided to MOH by the Developer in its application for funds. These budgets are reviewed by MOH staff and evaluated in staff analysis provided to the Housing Development Loan Committee established by the Criteria and Procedures. Staff will recommend a proposed structure for interest and principal repayment to the Committee and, if approved, to the Mayor at the time the development is approved. Upon completion of the development, the Developer is monitored annually regarding its rents and operating budget to ensure that the rents are within the regulated amount and that the property is being maintained in accordance with program requirements. The results of this monitoring is included in MOH's Annual Performance Report to HUD for the HOME and other federal programs.

With respect to the submission of the HOME Annual Report, I am attaching Marcia Rosen's letter to the Board of Supervisors dated March 27, 1997 for further clarification.



02/13/98 FRI 11:46 FAX 415 252 3140

MAYOR - HOUSING

Attachment III  
Page 2 OF 3

002

MAYOR'S OFFICE OF HOUSING  
CITY AND COUNTY OF SAN FRANCISCOWILLIE LEWIS BROWN, JR.  
MAYORMARCIA ROSEN  
DIRECTOR

March 28, 1997

The Honorable Barbara Kaufman  
President  
Board of Supervisors  
401 Van Ness Avenue, Room 308  
San Francisco, CA 94102

Re: HOME Investment Partnerships Program  
Annual Report to the Board of Supervisors

Dear President Kaufman:

The Criteria and Procedures for Allocating HOME Program Funds, adopted by the Board of Supervisors by Resolution 143-94, specifies that the Director of the Mayor's Office of Housing shall, by March 30 of each year, submit an Annual Report to the Board of Supervisors setting forth an accounting of all HOME Program funds received by the City during the previous calendar year.

The Mayor's Office of Housing is now drafting the Annual Performance Report required by HUD for its Consolidated Plan, which includes reporting on HOME Program funds. That report will be available in draft form by the middle of April, and is required to be submitted to HUD by May 1. The Annual Performance Report will cover the period February 1, 1996 through January 31, 1997.

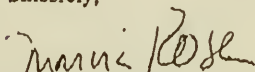
I would note that, at the time the Criteria and Procedures were adopted, the City's CDBG and HOME program years corresponded to the calendar year, and the reporting requirement was crafted to correspond to the HUD 90-day deadline for annual performance reporting. In view of the shift in HUD's reporting year to one month later, I believe that the intent of the Board's requirement for the Annual Report may be met by submitting the portions of the Consolidated Plan Annual Performance Report that deal with the HOME program.

Because this report will not be available until mid-April, I request your acceptance of the Annual HOME Report in accordance with the HUD reporting schedule, rather than by the March 30<sup>th</sup> date specified in the Criteria and Procedures. At the next opportunity to propose amendments to that document, MOH will recommend a revision of the submittal date to correspond to the HUD requirements.

The Honorable Barbara Kaufman  
March 28, 1997  
Page 2

Thank you for your cooperation in this request. If you have any questions, please feel free to contact me at 252-3180.

Sincerely,



MARCIA ROSEN  
Director

cc: The Honorable Tom Ammiano  
The Honorable Sue Bierman  
The Honorable Rev. Amos Brown  
The Honorable Leslie Katz  
The Honorable Susan Leal  
The Honorable Jose Medina  
The Honorable Gavin Newsom  
The Honorable Mabel Teng  
The Honorable Michael Yaki  
The Honorable Leland Yee  
John L. Taylor, Clerk of the Board of Supervisors

Item 5 – File 98-212

- Department:** Mayor's Office of Public Finance
- Item:** The proposed motion would award bonds and fix the interest rate for \$20,000,000 City and County of San Francisco Taxable General Obligation Bonds (Affordable Housing) Series 1998A. The Board of Supervisors previously approved a resolution authorizing the sale of these bonds.
- Description:** On November 24, 1997, the Board of Supervisors approved Resolution No. 1079-97, authorizing the sale of \$20,000,000 of General Obligation Affordable Housing Bonds Series 1998A. The proceeds from the sale of the bonds will be used to finance the development of affordable housing for low-income households and to provide down payment assistance to low- and moderate-income first time homebuyers in the City.
- Comment:** Ms. Laura Opsahl of the Mayor's Office of Public Finance advises that the bids for the bonds are scheduled to be opened at 8:30 am on Wednesday, February 18, 1998, and that unless all bids are rejected, the Finance Committee will award the bonds to the bidder whose bid represents the lowest true interest cost to the City. Ms. Opsahl reports that the Mayor's Office of Public Finance will submit an Amendment of the Whole prior to the Finance Committee's scheduled meeting at 1:00 pm Wednesday, February 18, 1998, which will list the winning bidder, the other bidders, and the interest rate that each bidder offered to the City.
- Recommendation:** Approve a motion which awards the subject bonds to the low bidder, which represents the lowest true interest cost to the City.



Items 6, 7, 8, and 9 – Files 98-93, 98-94, 98-95, and 98-99

**Department:** Department of Human Resources (DHR)

**Item:** Four ordinances adopting and implementing the provisions of the amendments to the Memoranda of Understanding between the City and County of San Francisco and (a) Transport Workers Union, Local 250-A (Classification 7410, Automotive Service Worker) (File 98-93); (b) Transport Workers Union, Local 250-A (Multi-Unit) (File 98-94); (c) Transport Workers Union, Local 200 (Supervisory Employees Association MUNI) (File 98-95); and (d) Teamsters, Local 856 (Multi-Unit) (File 98-99); providing that all covered employees be placed into full retirement contribution status retroactive to December 27, 1997,<sup>1</sup> following approval by the Mayor.

**Description:** The Board of Supervisors previously approved legislation ratifying Memoranda of Understanding (MOUs) between the City and the following designated representatives for the period of July 1, 1995, through June 30, 1998:

Designated Representative

Transport Workers Union, Local 250-A (Classification 7410, Automotive Service Worker)

Transport Workers Union, Local 250-A (Multi-Unit)

Transport Workers Union, Local 200 (Supervisory Employees Association MUNI)

Teamsters, Local 856 (Multi-Unit)

The Attachment to this report contains a list of the 39 classifications, covering 634 positions, represented by the four labor unions.

Mr. Kieran Murphy of the Employees' Retirement System advises that employee contributions to the Retirement System made by City employees are either (1) "full pre-tax" contributions (that is, Federal and State income taxes on all of the of the employee's contributions to the retirement system are deferred until the money is paid back to the employee either in the form of a refund upon separation from the City, or in the form of a retirement benefit payment), or

---

<sup>1</sup> June 30, 1998, for Teamsters Local 856.

(2) "partial pre-tax and partial after-tax" contributions (that is, Federal and State income taxes are deferred on only a portion of the covered employee's contributions to the Employees' Retirement System).

In accordance with Administrative Code Section 16.61-1, employees generally make an individual choice as to whether their contributions would be fully pre-taxable or partially pre-taxable/partially after-taxable. However, Section 16.61-1(4)(a) of the Administrative Code provides that MOUs may specify, under the mutual agreement of the bargaining unit and the City, that all covered employees who are members of the Employees' Retirement System will be placed into either full pre-tax contribution status or into partial pre-tax/partial after-tax contribution status.

The proposed ordinances would implement the provisions of the amendments to the four MOUs previously approved by the Board of Supervisors between the City and the four labor unions cited above, pursuant to Administrative Code Section 16.61-1(4)(a), to provide that all employees covered by the MOUs be placed into full pre-tax contribution status. The purpose of these amendments is to allow those covered employees who are currently under partial pre-tax/partial after-tax to be converted to full pre-tax contribution status and thereby enable the employees to defer Federal and State income taxes on the amount of the employees' contributions to the Retirement System.

**Comments:**

1. According to Mr. Murphy, the proposed amendment to the MOU will have no fiscal impact on the City, but would the amount of Federal and State income taxes that would be withheld from the employees covered under the subject MOU.

2. The Controller has reported that the proposed ordinances will not result in any additional costs to the City (see Attachment). The Budget Analyst concurs with the Controller.

3. Ms. Alice Villagomez of the Employee Relations Division reports that the effective dates of the proposed ordinances correspond to the dates on which the City "picks up" the full employee's share of retirement contributions, as provided in



each of the subject MOUs previously approved by the Board of Supervisors.

4. The proposed ordinances (Files 98-93, 98-94, and 98-95) which have an effective date of December 27, 1997, should be amended to provide for retroactive approval of actions previously taken.

- Recommendations:**
1. Amend the proposed ordinances (Files 98-93, 98-94, and 98-95) to provide for retroactive approval of actions previously taken and approve the ordinances as amended.
  2. Approve the proposed ordinance (File 98-99).



## CITY AND COUNTY OF SAN FRANCISCO

## OFFICE OF THE CONTROLLER

Edward Harrington  
Controller

John W. Madden  
Chief Assistant Controller

January 30, 1998

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Amendment to MOUs for: Transit Workers Union, Local 200 S.E.A.M.  
Transit Workers Union, Local 250A Multi-Unit  
Transit Workers Union, Local 250A Class 7410  
Teamsters Local 856 Multi-Unit

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the Memoranda of Understanding between the City and County of San Francisco and the following employee organizations; Transit Workers Union, Local 200 S.E.A.M, Transit Workers Union Local 250A Multi-Unit, Transit Workers Union Local 250A Class 7410, and Teamsters Local 856 Multi-Unit. These agreements cover the period from July 1, 1997 through June 30, 1998, and affect approximately 634 employees with a salary base of approximately \$33.6 million.

The amendments to these MOUs specify that all covered employees in these bargaining units will be placed into full retirement contribution status effective June 30, 1998. Based on our analysis, this agreement will not result in any additional cost to the City.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

A handwritten signature in dark ink, appearing to read "E. M. Harrington".  
Edward M. Harrington  
Controller

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst

## Classes

UNION	UNION / LOCAL TITLE	CLASS	SUB-OBJECT TITLE	Phase D Count
200	TWU LOCAL 200, SEAM, TWU - SEAM	1773	MEDIA TRAINING SPECIALIST.....	2.00
200	TWU LOCAL 200, SEAM, TWU - SEAM	7412	AUTOMOTIVE SERVICE WORKER ASST SUPV....	5.00
200	TWU LOCAL 200, SEAM, TWU - SEAM	8126	SR INVEST, OFFICE OF CITIZEN COMP.....	2.00
200	TWU LOCAL 200, SEAM, TWU - SEAM	9135	PASSENGER SERVICE SPECIALIST.....	0.25
200	TWU LOCAL 200, SEAM, TWU - SEAM	9139	TRANSIT SUPERVISOR.....	177.00
200	TWU LOCAL 200, SEAM, TWU - SEAM	9140	TRANSIT MANAGER I.....	25.00
200	TWU LOCAL 200, SEAM, TWU - SEAM	9141	TRANSIT MANAGER II.....	18.00
200	TWU LOCAL 200, SEAM, TWU - SEAM	9156	CLAIMS INVESTIGATOR.....	10.00
200	TWU LOCAL 200, SEAM, TWU - SEAM	9156	SENIOR CLAIMS INVESTIGATOR.....	1.00
200	TWU LOCAL 200, SEAM, TWU - SEAM	9157	CLAIMS ADJUSTER.....	6.00
200	TWU LOCAL 200, SEAM, TWU - SEAM	9173	SYSTEMS SAFETY INSPECTOR.....	1.00
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	2806	DISEASE CONTROL INVESTIGATOR.....	32.45
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	2808	SENIOR DISEASE CONTROL INVESTIGATOR....	12.50
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	2810	PRINCIPAL DISEASE CONTROL INVESTIGATOR..	1.97
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	3262	CURATOR OF INDUSTRIAL ARTS.....	1.00
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	3342	ZOO CURATOR.....	1.00
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	3529	MUSEUM CONSERVATOR (BRUNDAGE ASIAN A	1.00
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	3541	CURATOR I.....	3.00
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	3542	CURATOR II.....	4.00
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	3544	CURATOR III.....	7.57
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	3548	CURATOR OF NATURAL SCIENCE, JR MUSEUM..	2.00
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	6120	ENVIRONMENTAL HEALTH INSPECTOR.....	27.02
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	8122	SENIOR ENVIRONMENTAL HEALTH INSPECTOR	40.16
251	TWU LOCAL 250-A, TWU - MISCELLANEOUS	8124	PRINCIPAL ENVIRONMENTAL HEALTH INSPECT	7.00
252	TWU LOCAL 250-A, TWU - AUTO SERV WORKER	7410	AUTOMOTIVE SERVICE WORKER.....	120.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	1434	SHELTER SERVICE REPRESENTATIVE.....	7.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	2444	CLINICAL LABORATORY TECHNOLOGIST.....	2.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	2453	SUPERVISING PHARMACIST.....	7.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	2482	MICROBIOLOGIST.....	11.33
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	2484	SENIOR MICROBIOLOGIST.....	7.01
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	2496	RADIOLOGIC TECHNOLOGIST SUPERVISOR.....	3.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	3320	ANIMAL KEEPER.....	29.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	3370	ANIMAL CARE ATTENDANT.....	9.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	3372	ANIMAL CONTROL OFFICER.....	10.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	6139	SENIOR INDUSTRIAL HYGIENIST.....	9.04
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	7444	PARKING METER REPAIRER.....	16.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	8322	SENIOR COUNSELOR-JUVENILE HALL.....	10.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	8323	SENIOR COUNSELOR - BOYS' RANCH SCHOOL..	2.00
855	LOCAL 855, TEAMSTERS - HEALTH WORKERS	8324	SUPERVISING COUNSELOR, (JUVENILE COURT)	6.00
				634.30



Item 10 - File 98-131

**Department:** Department of Human Resources (DHR)

**Item:** Ordinance implementing an agreement adjusting the compensation of certain classifications pursuant to the Memorandum of Understanding (MOU) between the Service Employees International Union (SEIU), AFL-CIO, Locals 790, 535 and 250 and the City and County of San Francisco, to be effective March 1, 1998.

**Description:** The Board of Supervisors previously approved an MOU between the City and the Service Employees International Union (SEIU), AFL-CIO Locals 790, 535 and 250. This MOU, which covers approximately 435 classifications and approximately 12,000 employees is for the period from July 1, 1997 through June 30, 2000. This MOU contains a provision for internal adjustments to certain classifications, subject to agreement between the City and the SEIU.

Section 26 of this MOU specifically states that the standards for making internal adjustments to the wage rates for a particular classification are as follows:

- (a) The basic wage for the classification is below the prevailing wage level in the relevant labor market as demonstrated by verifiable salary data; and/or
- (b) There is an ongoing and demonstrable recruitment and/or retention problem; and/or
- (c) Traditional salary relationships, which continue to be justified, have been substantially altered; and/or
- (d) Within the prior three years or during the term of this agreement, either the duties, responsibilities, and/or minimum requirements for a classification have been altered significantly as reflected in either or both the class description and the most recent examination announcement.

According to Ms. Alice Villagomez of the Department of Human Resources (DHR), as required by the existing MOU, by September 1, 1997, either SEIU or the City may submit to the other a list of classifications that are proposed to receive internal adjustments for FY 1997-98,

according to the standards outlined above. Ms. Villagomez reports that both the City and SEIU submitted lists to each other within the required timeframe.

According to Ms. Villagomez, Local 535 and 790 initially proposed that 26 different classifications receive internal wage adjustments as of March 1, 1998, at a cost of approximately \$350,592 in FY 1997-98. In addition, the City proposed 19 different classifications receive internal wage adjustments as of March 1, 1998, at a cost of \$127,112 for FY 1997-98. Together, these initial proposals included 45 different employee classifications at a FY 1997-98 cost of \$477,704, assuming an effective date of March 1, 1998.

The City and the SEIU then negotiated to reach agreement on which specific classifications would receive internal adjustments for FY 1997-98, to be effective March 1, 1998 and included in the proposed ordinance. The proposed ordinance would adjust the compensation of 39 classifications (instead of the initial 45 classifications proposed), which would affect 666 budgeted positions.

**Comments:**

1. The existing MOU requires that the City allocate up to \$1.4 million in additional funds for paying these internal wage adjustments to employees over the three-year life of the MOU. In addition, the existing MOU requires that, of the \$1.4 million total, the total amount of internal adjustments sought by the City cannot exceed \$200,000. However, the internal wage adjustments requested by the SEIU can utilize up to the entire \$1.4 million, less the amount up to \$200,000 used by the City.

2. Attachment I, provided by DHR, identifies (a) the internal wage adjustments included by DHR and those requested by SEIU, which were agreed to by DHR; (b) the 39 employee classifications that are proposed to receive internal adjustments in FY 1997-98; (c) the amount of the internal adjustments to salaries for each classification, ranging from a one percent increase for a 8239 Senior Police Communications Dispatcher (\$446 to \$543 increase annually) to a 13 percent increase for a 9380 Administrative Service Officer, Port (\$5,503 to \$6,684 increase annually); (d) the anticipated annual cost for



each of the three years of the previously approved MOU (FY 1997-98, FY 1998-99 and FY 1999-2000); and (e) the total cumulative cost effective from March 1, 1998 through June 30, 2000. As reflected in Attachment I, the total three-year cumulative cost is \$838,454, of which \$136,754 reflects those internal adjustments proposed by the City. As a result, as shown on Attachment I, the maximum balance available for internal adjustments during the remainder of the MOU period, which may be included for FY 1998-99 and FY 1999-00 is \$561,546 (\$1,400,000 total less \$838,454).

3. Attachment II provided by the Controller's Office is consistent with the DHR estimates discussed above. As such, the Controller identifies an estimated incremental cost of approximately \$259,300 in FY 1997-98, based on an effective date of March 1, 1998. As discussed above, the initial SEIU and City proposals for internal wage adjustments totaled \$477,704 for FY 1997-98, based on a March 1, 1998 effective date. Therefore, the proposed ordinance with an estimated FY 1997-98 cost of \$259,300 is \$218,404 less than the \$477,704 of internal wage adjustments initially proposed.

In addition to FY 1997-98, the Controller's Office reports estimated incremental costs of \$552,400 in FY 1998-99 and \$26,800 in FY 1999-00. The Controller's Office reports annualized total cumulative three-year costs of approximately \$838,500 (reported as \$838,454 by DHR). The Budget Analyst concurs with these estimates.

4. According to Ms. Peg Stevenson of the Controller's Office, there are sufficient funds budgeted in the FY 1997-98 General Fund Salary and Benefit Reserve of \$10,270,260, to cover the estimated costs of this proposed ordinance for FY 1997-98.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

## SEIU Internal Adjustments

			Annualized Cost		
Class Title	Local	Agreed increase	Year 1 (from 3/1/98)	Year 2	Year 3
CCSF Proposed Adjustments					
1217 Certification Supervisor	L 790	4.25%	\$722	\$2,263	\$2,337
1406 Senior Clerk	L 790	4.00%	\$16,964	\$53,174	\$54,854
1431 Senior Unit Clerk	L 250	3.00%	\$1,639	\$5,138	\$5,298
1441 Senior Medical Transcriber Typist	L 790	5.50%	\$1,467	\$4,596	\$4,742
1764 Mail and Reproduction Service Supervisor	L 790	7.50%	\$2,308	\$7,229	\$7,461
2434 Senior Electrocardiograph Technician	L 250	4.75%	\$747	\$2,340	\$2,415
2618 Food Service Supervisor	L 790	7.50%	\$4,568	\$14,303	\$14,757
2619 Senior Food Service Supervisor	L 790	7.50%	\$2,011	\$6,287	\$6,497
3214 Senior Swimming Instructor	L 790	7.50%	\$8,476	\$26,551	\$27,401
3450 Agricultural Inspector	L 790	4.25%	\$1,700	\$5,327	\$5,496
6220 Inspector of Weights and Measures	L 790	4.25%	\$1,700	\$5,327	\$5,496
Subtotal - CCSF Proposed Classes:			\$42,301	\$132,543	\$136,754

## SEIU Proposed Adjustments

1210 Benefits Analyst	L 790	3.50%	\$5,789	\$18,153	\$18,739
1435 Shelter Officer Supervisor	L 790	4.00%	\$516	\$1,616	\$1,688
1840 Junior Management Assistant	L 790	3.00%	\$852	\$2,688	\$2,753
1842 Management Assistant	L 790	3.00%	\$20,779	\$64,414	\$67,231
1844 Senior Management Assistant	L 790	3.00%	\$21,047	\$65,964	\$68,098
2204 Dental Hygienist	L 250	10.00%	\$3,604	\$11,294	\$11,658
2314 Public Health Team Leader (old AD19)	L 790	3.00%	\$11,316	\$35,474	\$36,607
2442 Diagnostic Medical Sonographer	L 790	3.50%	\$1,749	\$5,483	\$5,661
2450 Pharmacist	L 790	1.00%	\$8,824	\$27,854	\$28,543
2454 Clinical Pharmacist	L 790	1.00%	\$6,401	\$20,059	\$20,703
2904 Social Service Technician	L 535	2.00%	\$7,326	\$22,954	\$23,682
2910 Social Worker	L 535	2.00%	\$9,794	\$30,685	\$31,659
2912 Senior Social Worker	L 535	2.00%	\$33,665	\$105,487	\$108,900
2975 Citizen's Complaint Officer	L 790	7.50%	\$8,095	\$25,355	\$26,181
3208 Pool Lifeguard	L 790	7.50%	\$27,878	\$86,662	\$89,385
4306 Collections Officer	L 790	2.50%	\$7,171	\$22,488	\$23,178
4308 Senior Collections Officer	L 790	2.50%	\$4,037	\$12,648	\$13,063
4366 Collection Supervisor	L 790	2.50%	\$2,764	\$8,663	\$8,943
7270 Watershed Keeper Supervisor	L 790	5.00%	\$2,313	\$7,244	\$7,480
7384 Typewriter Repairer	L 790	3.50%	\$478	\$1,498	\$1,545
7416 Book Repairer	L 790	12.50%	\$2,689	\$8,453	\$8,726
7418 Senior Book Repairer	L 790	5.00%	\$700	\$2,192	\$2,261
8142 Public Defender's Investigator	L 790	1.75%	\$3,973	\$12,452	\$12,853
8143 Senior Public Defenders Investigator	L 790	1.75%	\$360	\$1,127	\$1,164
8238 Police Communications Dispatcher	L 790	1.00%	\$19,298	\$60,482	\$62,449
8239 Senior Police Communications Dispatcher	L 790	1.00%	\$2,474	\$7,753	\$8,004
9250 Airport Maintenance Supervisor	L 790	5.00%	\$1,095	\$3,433	\$3,543
9380 Administrative Service Officer, Port	L 790	13.00%	\$2,177	\$6,823	\$7,044
Subtotal SEIU Proposed Adjustments:			\$216,972	\$679,159	\$701,700
Grand Total - SEIU Adjustments:			\$259,273	\$811,702	\$838,454

Internal Adjustment Cap: \$1,400,000

less Agreed Adjustments for 3/1/98: \$838,454

Balance Available for adjustments effective 7/1/99: \$561,546

Total Available for City Proposals: \$200,000

City Proposed Adjustments for 3/1/98: \$136,754

Balance available for CCSF proposed adjustments 7/1/99: \$63,246



## CITY AND COUNTY OF SAN FRANCISCO

## OFFICE OF THE CONTROLLER

Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

February 11, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: SEIU Local 790 Internal Adjustments

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of legislation implementing a provision of the Memorandum of Understanding between the City and County of San Francisco and Service Employees International Union (SEIU) Local 790. The Board of Supervisors previously approved this MOU, which contains a provision for internal adjustments to certain classifications, subject to agreement between the City and SEIU Local 790. The agreement covers the period July 1, 1997 through June 30, 2000, and this provision affects approximately 666 employees with a salary base of approximately \$32 million.

Based on our analysis, implementation of this provision of the agreement will result in estimated incremental costs of approximately \$259,300 in FY 1997-98, \$552,400 in FY 1998-99, and \$26,800 in FY 1999-00. The Memorandum of Understanding provides that the annualized cost in the third year of the agreement of all internal adjustments is capped at \$1.4 million. The adjustments proposed with this legislation have an annualized, third year cost of approximately \$838,500.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

A handwritten signature of Edward M. Harrington in dark ink.

Edward M. Harrington  
Controller

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst



Item 11 - File 98-132

- Department:** Department of Human Resources (DHR)  
Airport
- Item:** Ordinance implementing the Arbitrator's Award dated November 6, 1997 adjusting the compensation of 9212 Airfield Safety Officers pursuant to the Memorandum of Understanding (MOU) between the Service Employees International Union, AFL-CIO, Locals 790, 535 and 250 and the City and County of San Francisco, for the term which expired June 30, 1997, such award to be effective retroactively to October 7, 1995.
- Description:** The proposed ordinance would implement the Arbitrator's Award regarding a labor dispute between the Service Employees International Union (SEIU), Local 790 and the San Francisco International Airport involving the 9212 Airport Safety Officers. Hearings were held on July 29 and 30, 1997 before an arbitrator. The Airport filed a post-hearing brief on September 25, 1997 and the Arbitrator issued a decision on November 6, 1997.
- The two issues before the Arbitrator were (1) What amounts of equity adjustment, if any, should be granted to the Class 9212 Airfield Safety Officer; and (2) If an equity adjustment is granted, what date should it become effective. The Arbitrator determined that a small but perceptible change has occurred in the Class 9212 Airfield Safety Officer work, resulting in increased responsibility and skills required for this position over the years. As a result, the Arbitrator awarded a two percent salary increase, retroactive to October 7, 1995 for the 9212 Airfield Safety Officer positions.
- Comments:**
1. According to Ms. Alice Villagomez, the Arbitrator's decision is final and binding and the Board of Supervisors is required to approve the proposed ordinance.
  2. According to Ms. Peg Stevenson of the Controller's Office, there are approximately 32 Airfield Safety Officer positions (Classification 9212) that would be effected by the proposed ordinance. As shown in the Attachment provided by the Controller's Office, approval of the

proposed ordinance will result in FY 1997-98 estimated costs of \$92,000, which includes the one-time retroactive payments to October 7, 1995. In addition, the proposed ordinance will result in ongoing annual costs of approximately \$34,000. The Budget Analyst concurs with the Controller's estimate.

3. According to Ms. Beverly Jew of the Airport, due to increased salary savings this fiscal year because two positions are currently vacant, the Airport has sufficient budgeted FY 1997-98 salary funds to pay for the estimated costs of the proposed ordinance.

**Recommendation:** Approve the proposed ordinance.





## CITY AND COUNTY OF SAN FRANCISCO

## OFFICE OF THE CONTROLLER

Edward Harrington  
Controller

John W. Madden  
Chief Assistant Controller

February 11, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Arbitration Award for SEIU Class 9212 Airfield Safety Officers

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of legislation implementing an arbitration award for Classification 9212 Airfield Safety Officer. The award provides for a 2% salary adjustment for this classification, retroactive to October 7, 1995. The award affects approximately 32 employees with a salary base of approximately \$1.7 million.

Based on our analysis, implementation of this award will result in estimated costs for current year and retroactive pay of approximately \$92,000 in FY 1997-98, and ongoing annual costs of approximately \$34,000.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ed Harrington".

Edward M. Harrington  
Controller

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst



Items 12 and 13 - Files 98-234 and 98-235

**Department:** Department of Human Services (DHS)  
Department of Real Estate (DRE)

**Items:** Item 12, File 98-234: Resolution authorizing a new lease of real property at 3119 Mission Street for the Department of Human Services (DHS).

Item 13, File 98-235: Resolution authorizing a new lease of real property at 1428 Bush Street for the Department of Human Services (DHS).

**Purpose of Lease:** To provide space for the implementation of CalWORKs, the new State career training and employment development program established as part of Federal Welfare Reform. The lease at 3119 Mission is intended to serve the Mission neighborhood, while the lease at 1428 Bush is intended to serve the neighborhoods of the Tenderloin, Western Addition, and Chinatown.

	<u>Item 12</u>	<u>Item 13</u>
<b>Location:</b>	3119 Mission Street	1428 Bush Street
<b>Lessor:</b>	KWL LLC	Mr. David G. Fong and Mr. Tse-Chan Chiu Lin
<b>Lessee:</b>	City and County of San Francisco	City and County of San Francisco
<b>No. of Sq. Ft. and Cost Per Month:</b>	3,100 square feet @ approximately \$1.50 per square foot per month, for a \$4,650 per month.	4,000 square feet @ approximately \$1.00 per square foot per month, for a total of \$4,000 per month.
<b>Annual Cost:</b>	\$55,800	\$48,000
<b>Term of Leases:</b>	The terms for both leases shall commence on the date of completion of tenant improvements (expected on or about April 1, 1998), or upon approval by the Board of Supervisors and the Mayor, whichever is later, and expire on March 31, 2003, for a term of approximately five years each.	

**Utilities and  
Janitorial**

**Services:** At both the subject lease sites, all costs for utilities and janitorial services would be the responsibility of the City.

**Right of Renewal:** For both leases, the City would have the option to extend the term for one additional period of five years at 95 percent of the fair market rent. Mr. Steve Hoppe of the DRE advises that the fair market rent would be determined through mutual negotiations between the City and the Lessor.

**Source of Funds:** Previously approved DHS supplemental appropriation pertaining to welfare reform, including the implementation of CalWORKs, File No. 101-97-39. According to Ms. Michele Byrd of DHS, the source of funds consists of 33 percent Federal, 28 percent State, and 39 percent City General Fund funds.

**Description:** The proposed resolutions would authorize two leases, File No. 98-234 at 3119 Mission Street at the intersection of Caesar Chavez and File No. 98-235 at 1428 Bush Street between Polk and Van Ness, for clients at the Mission Street facility and for clients and staff at the Bush Street building for the CalWORKs Program, a new career training and employment development program established by the State as part of Federal Welfare Reform.

According to Ms. Michele Byrd of the DHS, the subject leases, which are both estimated to commence on or about April 1, 1998, will supplement existing City office space used to implement CalWORKs at 170 Otis Street, as well as a new site at 1800 Oakdale Street, which is intended to serve the Bayview neighborhood.

At 3119 Mission Street, the building is a former warehouse with a usable area of approximately 3,100 square feet. Tenant improvements include bringing the existing bathroom up to the required standards of the Americans with Disabilities Act, building a second bathroom, installation of a heating and ventilation system, construction of conference rooms, construction of activity space (for training classes on resume writing and interviewing skills, etc.), construction of a childcare area, installation of carpet, and improvements to the electrical system. Mr. Hoppe advises that the lessor will

be responsible for the total cost of the tenant improvements estimated to be \$139,404.

At 1428 Bush Street, the subject lease is for 4,000 rentable square feet on the first floor and mezzanine of the building. Tenant improvements include construction of conference rooms, construction of activity space (for training classes on resume writing and interviewing skills, etc.), construction of a childcare area, construction of a computer laboratory, installation of carpet, and improvements to the electrical system. Mr. Hoppe advises that the lessor will be responsible for the total cost of the tenant improvements estimated to be \$77,211.

**Comments:**

1. According to Ms. Byrd, as part of the Mayor's Economic Development Summit, the Mayor stated that he would bring employment services to the neighborhoods. Ms. Byrd reports that the subject leases are part of fulfilling that objective.

2. The State Employment Development Department (EDD) is located at 3120 Mission Street, across the street from the proposed lease site at 3119 Mission Street. DHS plans to have most of the 14 new employees, previously approved by the Board of Supervisors in a supplemental appropriation (File No. 101-97-39) pertaining to welfare reform, occupy space in the EDD building, in exchange for the State having use of the proposed DHS activity space, conference rooms and childcare facilities that will be developed as part of the subject lease at 3119 Mission Street.

Funding for the 14 new employees at 1428 Bush Street was also approved in the supplemental appropriation pertaining to welfare reform, File No. 101-97-39.

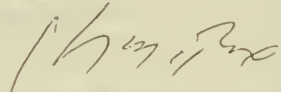
According to Ms. Byrd, the source of funding for the new employees to implement the CalWORKs Program is 33 percent Federal, 28 percent State and 39 percent City General Fund.

3. Ms. Byrd reports that DHS is currently recruiting, hiring, and training up to 120 new employees, approved under File 101-97-39, (14 for the Mission Street facility, 14 for the Bush Street building, 28 for the new site on Oakdale Street, and 64 for the existing site at 170 Otis Street) to be Employment

Specialists to provide the client services for the CalWORKs Program. Ms. Byrd advises that since both proposed lease sites will consist of space allocated to client use, such as training rooms, computer laboratory, and childcare, the space allocated to employees is limited and does not represent the standard space requirements for City employees.

4. According to Mr. Hoppe, the proposed rents represent fair market value.

**Recommendations:** Approve the proposed resolutions.



Harvey M. Rose

cc: Supervisor Teng  
President Kaufman  
Supervisor Newsom  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Brown  
Supervisor Katz  
Supervisor Medina  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Gail Feldman  
Matthew Hymel  
Stephen Kawa  
Ted Lakey



S90.25

2/

2/25/98

# CALENDAR

## Finance Committee Board of Supervisors City and County of San Francisco

### REGULAR MEETING

WEDNESDAY, FEBRUARY 25, 1998 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVE, ROOM 410  
SAN FRANCISCO, CA. 94102

1st Posted 2/19/98  
DOCUMENTS DEPT.

FEB 20 1998

SAN FRANCISCO  
PUBLIC LIBRARY

MEMBERS: Supervisors Mabel Teng, Barbara Kaufman, Gavin Newsom

CLERK: Joni Blanchard

❖ ❖

### Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

## CONSENT CALENDAR

1. All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Committee and will be acted upon by a single, roll-call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
  - a. File 98-0200. [Emergency Repair, 23rd Avenue Sewer Avenue Replacement] Resolution approving the expenditure of funds for the emergency work to replace the structurally inadequate sewer on 23rd Avenue from Lincoln Way to Irving Street - \$221,938. (Public Utilities Commission)
  - b. File 98-0211. [Emergency Repair, Ocean Beach Slope Erosion] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the safety and property of the Citizens of San Francisco by performing the necessary work to prevent ocean beach slope erosion threatening roadway loss along the Great Highway between the two national park service parking lots. (Department of Public Works)
  - c. File 98-0088. [Reserved Funds, Commission on the Aging] Hearing to consider release of reserved funds, Commission on the Aging (1997-98 Budget), in the amount of \$100,000 to fund contractual services of Calvin Y. Louie, a CPA firm, to audit COA's direct service contracts. (Commission on the Aging).
  - d. File 98-0199. [Reserved Funds, Juvenile Probation Department] Hearing to consider release of reserved funds, Juvenile Probation Department (Ordinance No. 204-97), in the amount totaling \$118,222 (Aftercare Program Services \$99,000 and Vocational Program Services \$19,222), to fund contract services, facilities maintenance and equipment for the Log Cabin Ranch. (Juvenile Probation Department)
  - e. File 98-0214. [Reserved Funds, Fire Department] Hearing to consider release of reserved funds, Fire Department (Fire Protection Bond Capital Project), in the amount of \$24,850 for purchasing and installing emergency generator at Fire Station No. 26, located at 80 Digby Street. (Fire Department)
  - f. File 98-0215. [Reserved Funds, Fire Department] Hearing to consider release of reserved funds, Fire Department (1992 Fire Protection Bond Interest Earnings), in the amount of \$266,000 to fund the construction contract of Fire Station No. 26 improvement Phase III. (Department of Public Works)
  - g. File 98-0216. [Reserved Funds, Department of Public Works] Hearing to consider release of reserved funds, Fire Department (1992 Fire Protection Bond Proceeds), in the amount of \$1,176,000 for the purpose of funding the Fire Station No. 19 renovation contract and related services. (Department of Public Works)

ACTION:

REGULAR CALENDAR

2. File 98-0208. [Appropriation, Department of Public Works] Ordinance appropriating \$200,000, Department of Public Works, of Broadway Parking Lot Revenues to fund the local share of the cost to do County-wide Transportation Plan for fiscal year 1997-98. RO #97197. (Controller)

ACTION:

3. File 98-0236. [Bond Sale, Series 1998C, Educational Facilities] Resolution authorizing and directing the sale of not to exceed \$47,000,000 City and County general obligation bonds (Educational Facilities Bonds, 1997 San Francisco Unified School District), Series 1998C; prescribing the form and terms of said bonds; authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related thereto; approving the forms of official notice of sale of bonds and notice of intention to sell bonds; directing the publication of official notice of sale and intention to sell bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds; see File 170-97-9. (Mayor Willie L. Brown, Jr.)

ACTION:

4. File 98-0203. [MOU, Teamsters Local 350] Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between Teamsters, Local 350 and the City and County of San Francisco providing that all covered employees be placed into full retirement contribution status effective June 30, 1998 following approval of this ordinance by the Mayor. (Department of Human Resources)

ACTION:

5. File 98-0096. [Lease of Property at 3801 Third Street] Resolution authorizing a lease of real property at 3801 Third Street, San Francisco, for the Mental Health Division of the Department of Public Health. (Real Estate Department)  
(Consideration continued from 2/11/98)

STATUS:

6. File 107-97-4. [Indigent Adult Programs] Resolution approving the creation of three (3) new county programs (Personal Assisted Employment Services, County Assistance Linked to Medi-Cal and SSI Pending), to serve adult indigent San Francisco residents and changes to the existing General Assistance Program. (Mayor, Supervisor Teng)

ACTION:

7. File 97-97-70. [CALM-Cash Assistance Linked to Medi-Cal] Ordinance amending the San Francisco Administrative Code by adding Article X to Chapter 20, encompassing Sections 20.100 to 20.123, to establish a Cash Assistance Program for individuals who are eligible for Medi-Cal due to age or disability, but who are not eligible for Supplemental Social Security Income (SSI). (Mayor, Supervisor Teng)

ACTION:

8. File 97-97-71. [PAES-Personal Assisted Employment Services] Ordinance amending the San Francisco Administrative Code by adding Article IX to Chapter 20, encompassing Sections 20.70 to 20.92, to create the Personal Assisted Employment Services Program to provide assistance in obtaining paid employment and a cash stipend for indigent adult residents of San Francisco. (Mayor, Supervisor Teng)

ACTION:

9. File 97-97-72. [SSIP-Supplemental Security Income Pending] Ordinance amending the San Francisco Administrative Code by adding Article XI to Chapter 20 thereto, encompassing Sections 20.200 to 20.224, to establish a Cash Assistance Program for individuals who are applying, or have been determined eligible for Social Security Income (SSI) but who have not begun to receive payments. (Mayor, Supervisor Teng)

ACTION:

10. File 97-97-73. [General Assistance Program] Ordinance amending Administrative Code Section 20.56.6 to allow for rent payments up to the eligible client's otherwise eligible total monthly income and or assets rather than the monthly grant amount, Section 20.56.11 to exclude income tax refunds and payments made under foster care or FSET/GATES Programs from the calculation of available income or resources, by adding Sections 20.56.16, 20.56.17 and 20.56.18 to comply with state law provisions regarding ineligibility for General Assistance; by amending Section 20.57 to modify the amount and computation of General Assistance grants, Section 20.57.1 to provide that rent free housing shall be valued according to the income-in-kind chart in the California Code of Regulations rather than by fair market value, and by making other amendments to change obsolete language. (Mayor, Supervisor Teng)

ACTION:



## LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution is introduced which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction.

File 98-0182. [UCSF Land Donation, CEQA Findings] Resolution adopting environmental findings (and a statement of overriding considerations) pursuant to the California Environmental Quality Act and state guidelines in connection with certain documents relating to the conveyance of land to the Regents of the University of California to be developed for university purposes; companion to Files 98-0183 and 98-0184. (Supervisor Yaki), 30 Day Rule expires 3/4/98.

File 98-0183. [UCSF Property Donation Conveyance] Resolution approving and authorizing the conveyance, for no consideration, to the Regents of the University of California, of approximately 1.34 acres of present and former street areas at 16th and 6th Streets to be developed for university purposes; adopting findings that the conveyance is consistent with the City's General Plan and eight priority policies of Planning Code Section 101.1; and ratifying prior acts; companion to Files 98-0182 and 98-0184. (Supervisor Yaki), 30 Day Rule expires 3/4/98.

File 98-0184. [UCSF Donation, Public Trust Agreement] Resolution finding and determining that the conveyance to the Regents of the University of California of certain real property located near Sixth and 16th Streets is authorized by and consistent with the provisions of Chapter 1143 of the Statutes of 1991, as amended; approving an agreement; and ratifying past acts; companion to Files 98-0182 and 98-0183. (Supervisor Yaki), 30 Day Rule expires 3/4/98.

File 98-0259. [Public Pay Telephone Revenues] Ordinance amending Public Works Code Section 957 to increase the amount of revenues from pay telephones on public sidewalks paid to the City and County of San Francisco. (Supervisor Newsom), 30 Day Rule expires 3/19/98.

File 98-0260. [Public Artworks, Historic Landmarks] Ordinance amending Planning Code Section 149 to add historic landmarks to the list of authorized uses of the one percent set aside for public artwork, provided however that said use for historic landmarks terminates three years from the effective date of this ordinance. (Supervisor Newsom), 30 Day Rule expires 3/19/98.

Watch future calendars for matters.

Finance Committee  
S.F. Board of Supervisors  
401 Van Ness Ave., Room 308  
San Francisco, CA 94102

IMPORTANT HEARING NOTICE!!!

Bill Lynch  
Govt Information Ctr  
41 Main Library-Civic Center  
100 Larkin Street



CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

DOCUMENTS DEPT.

FEB 26 1998

SAN FRANCISCO  
PUBLIC LIBRARY

February 20, 1998

TO: Finance Committee

FROM: Budget Analyst *Recommendations for meeting of*

SUBJECT: February 25, 1998 Finance Committee Meeting

#### Item 1a- File 98-200

Department: Public Utilities Commission (PUC)  
Department of Public Works (DPW)

Items: Resolution authorizing the expenditure of funds for emergency repair work to replace the damaged 18-inch diameter sewer located on 23<sup>rd</sup> Avenue between Lincoln Way and Irving Street.

Amount: \$221,937.96

Source of Funds: Repair & Replacement Fund for FY 1997-1998

Description: According to Mr. Norman Chan of the Department of Public Works (DPW), on June 5, 1997, the PUC Bureau of Sewer Operations reported that the existing 18 inch diameter sewer located on 23<sup>rd</sup> Avenue from Lincoln Way to Irving Street had multiple cracks and collapsed sections.

On the same day, the PUC declared an emergency since immediate replacement of the damaged sewer was required. The proposed resolution would authorize the expenditure of funds for the emergency sewer repair work to replace the

damaged 18-inch diameter sewer with 649 linear feet of 21-inch diameter vitrified clay pipe sewer.

In accordance with Administrative Code Section 6.30, the DPW on behalf of the PUC, expedited contract procedures on June 9, 1997 and the PUC awarded a contract to JMB Construction Co., the low bidder, on June 11, 1997 for replacement of the sewer.

**Budget:** The total estimated project cost is \$221,937.96 including \$173,712.96 for construction work (Attachment 1) and approximately \$48,225 (Attachment 2) for DPW costs.

**Comments:** 1. According to Mr. Chan, the following construction bids were received from six firms on June 10, 1997:

<u>Name of Bidder</u>	<u>Amount Bid</u>
JMB Construction Company	\$162,989
Harty Pipelines Inc.	169,930
Esquivel Grading and Paving	171,385
Ramirez Engineering Company	174,154
A. Answer Inc.	183,204
M.H. Construction Management Company	276,500

2. According to Mr. Chan, DPW's Bureau of Construction Management identified the need for additional pavement replacement work during the sewer replacement work which increased the final contract cost by a net amount of \$10,723.96 from \$162,989 to \$173,712.96.

3. Mr. Chan reports that the repair work of the damaged sewer began on June 18, 1997 and was completed on July 22, 1997.

4. Mr. Chan advises that due to various delays, the PUC is requesting approval of this proposed resolution approximately seven months after the construction work was completed.

**Recommendation:** Approve the proposed resolution.

CITY AND COUNTY OF SAN FRANCISCO  
DEPARTMENT OF PUBLIC WORKS  
BUREAU OF CONSTRUCTION MANAGEMENT

FROM: T. NON FIELD OFFICE

PHONE NO. 415 388 2612

Attachment 1

CN # ENEN97000281

PROGRESS ESTIMATE NO. \_\_\_\_\_

FOR WORK PERFORMED THROUGH \_\_\_\_\_

PROJECT TITLE: 23<sup>RD</sup> AVE. EMERGENCY SEWER REPLACEMENT

SPEC. NO. 1439N

CONTRACT AMOUNT	APPROV. C.O.	FINANCING C.O.	FORECAST TOTAL	EARNED TO DATE	%	PERFORMED THIS MONTH	UNIT PRICE	EST. THIS PERIOD	ORIG. COM. L	REV. COM. L	EST. COM. L
162,989	16,088.96	-	173,712.96	173,712.96	100	N/A		6-8-97	7-22-97	-	7-22-97
NO.	BID ITEM	DESCRIPTION	CONTRACT AMOUNT	QUANTITY	UNIT PRICE	EST. THIS PERIOD	QUANTITY	AMOUNT	QUANTITY	AMOUNT	EST. COM. L
1	TRAFFIC ROUTING WORK		2,600.00	45	45				45	2,025.00	2,025.00
2	TRENCH AND EXCAVATION WORK		7,000.00	45	45				45	2,025.00	2,025.00
3	TYPE "A" MANHOLE-NEW F/C		5,000.00	2 EA	2,500.00				2 EA	5,000.00	5,000.00
4	24" V.C.P. SEWER		115,014.00	64 LF	174.14				64 LF	11,144.16	11,144.16
5	POST CONSTRUCTION T.V. INSPECTION		1,000.00	45	45				45	1,000.00	1,000.00
6	6" ON 8" SIDE SEWER T.V. INSPECTION		5,125.00	41 EA	125.00				41 EA	5,125.00	5,125.00
7	5108 SEWER CONNECTION		10,250.00	41 EA	250.00				41 EA	10,250.00	10,250.00
8	6" ON 8" SIDE SEWER REPAIR (DELETABLE)		5,000.00	250 LF	20.00				250 LF	5,000.00	5,000.00
9	CAST IRON TRAP		1,800.00	6 EA	300.00				6 EA	1,800.00	1,800.00
10	HAZARDOUS WASTE		10,000.00	F.A.	F.A.				45	10,000.00	10,000.00
11	FIELD OFFICE		200.00	45	45				45	200.00	200.00
ORIGINAL CONTRACT TOTAL			162,989.00								162,989.00
EXTRA WORK (LIST EACH C.O.)			16,088.96								16,088.96
			179,077.96								179,077.96

PAYMENT REQUESTED BY:

JAY B CONSTRUCTION, INC.  
CONTRACTOR

ESTIMATE PREPARED AND SUBMITTED BY:

Ernest M. Lee  
RESIDENT ENGINEER

Harold Burke

APPROVED BY:  
WILLIAM L. WINS

CONSTRUCTION MANAGER

07/01/00

## Cost Breakdown for Emergency Projects

### Hydraulics

Classification	Rate	Hours	Cost
5504	\$92	24	\$2,208
5206	\$75	110	\$8,250
5202	\$50	16	\$800
5366	\$60	110	\$6,600
5381	\$33	16	\$528
1426	\$43	40	\$1,720
			<b>\$20,106</b>

### Construction Management

Classification	Rate	Hours	Cost
5210	\$100	40	\$4,000
5208	\$80	40	\$3,200
5204	\$62	128	\$7,936
5318	\$70	128	\$8,960
			<b>\$24,096</b>

**Traffic Engineering**

**\$4,000**

2/12/98

Item 1b- File 98-211

**Department:** Department of Public Works (DPW)

**Items:** Resolution authorizing the Department of Public Works (DPW) to take necessary measures to protect the health and safety of the citizens of San Francisco by performing the necessary emergency work to prevent further erosion of the Ocean Beach sand slope adjacent to the west side of the Great Highway and between two National Park Service Parking lots.

**Amount:** \$200,000

**Source of Funds:** See Comment No. 3

**Description:** According to Mr. John Pons of the DPW, on January 30, 1998, the heavy rainfall and tidal action at Ocean Beach caused erosion along 600 feet of the sand slope adjacent to the Great Highway and between two National Park Service Parking lots.

On January 31, 1998, the DPW declared that an emergency existed because the erosion of the Ocean Beach sand slope would cause portions of the Great Highway roadway to collapse. The proposed resolution declares the existence of an emergency and authorizes the DPW to proceed in the most expeditious manner to perform the necessary work to design and construct a wall made of large rocks along the Ocean Beach sand slope adjacent to the Great Highway between two National Park Service Parking lots.

In accordance with Administrative Code Section 6.30, the DPW initiated emergency contract procedures and selected Ghilotti Brothers Construction to construct a Rip Rap Revetment (a wall made of large rocks that are placed along the sand slope to prevent further erosion). Mr. Pons advises that Ghilotti Brothers Construction is one of the contractors on DPW's list of contractors currently under contract with the City who are available for emergency contracts.

**Budget:** The DPW has incurred expenditures of \$181,855, including approximately \$150,000 for construction services (see Attachment I), \$840 for design services (\$105 per hour for



eight hours), and \$31,015 for DPW costs (see Attachment II). In addition, DPW anticipates additional costs of \$18,145 related to this emergency (see Comment No. 2), for total project costs of \$200,000 (\$181,855 plus \$18,145).

**Comments:**

1. Mr. Pons advises that subsequent to DPW's declaration of the emergency on January 31, 1998, DPW contracted with Ghilotti Brothers Construction for the emergency repair work. According to Mr. Pons, the construction work was completed by Ghilotti Brothers Construction on February 2, 1998 at a total cost of \$150,000.

2. According to Mr. Pons, since the completion of the wall made of large rocks along the sand slope adjacent to the parking lots, heavy rains and tidal action have continued to erode the sand slope and the parking lots have been closed to the public since February 2, 1998. Mr. Pons advises that if this erosion of the sand slope and adjacent parking lots continues, portions of the Great Highway will collapse. Therefore, Mr. Pons reports that DPW plans to enter into another contract with CH2M Hill in the amount of approximately \$18,145 in order to assess the alternatives for preventing further erosion.

3. The DPW has not identified the source of funds to pay for the estimated project costs of \$200,000 or the future project costs to prevent further erosion of the National Park Service parking lots and the Ocean Beach sand slope. Attachment III is a letter from Ms. Theresa Burke of the DPW explaining that the funding source that DPW normally uses for these types of emergencies, why that source will not be used and why instead, a supplemental appropriation request may be needed.

**Recommendation:** Approve the proposed resolution.



City and County of San Francisco



Willie Lewis Brown, Jr., Mayor  
Mark A. Primeau, AIA, Director and City Architect

(415) 558-4017  
FAX (415) 558-4519  
john\_pons@ci.sf.ca.us

Department of Public Works  
Project Management Division  
30 Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94102-6020  
John Pons, Project Manager

February 12, 1998

Ms. Angela Gengler  
Budget Analyst  
Board of Supervisors  
1390 Market St., Suite 1025  
San Francisco, CA 94102

Subject: Cost Breakdown of Emergency Contract with Ghilloti Bros.,  
Construction for Work at the Great Highway.

Dear Ms. Gengler:

Pursuant to your request, the following is a more detailed cost breakdown of the emergency contract with Ghilloti Bros., Construction for the emergency work along the Great Highway slope between the two (2) National Park Service parking lots.

Emergency Contract - Ghilloti Bros. Construction

- **Equipment** \$ 15,000.00  
Included under this cost is the mobilization cost associated with the job.  
The mobilization costs were approximately 25% or \$3,750. The actual cost to use the equipment delivered to site on a hourly basis were as follows:  
The two major pieces of equipment used were a loader cost at \$50/hr and a excavator cost at \$150/hr. Smaller equipment such as arrow board, traffic barricades, etc. make up the remainder. Equipment was used for 12 hours a day for 3 days.
- **Labor** 22,500.00  
Typical Labor Force worked 12 hours a day. The labor force included a superintendent, foreman, 2 flag persons, 2 laborers, 2 operators. Saturday work was billed at time and a half for the first 8 hours and double time for the last 4 hours. Sundays work was billed at double time. Mondays work was billed at straight time first 8 hours and time and a half for the last 4 hours. The average rate per hour is approx. \$40/hr plus a 15% mark-up needs to be included.
- **Trucking** 37,500.00  
Trucking costs for truck rental and driver for Saturday work is billed at \$76/hr, Sunday's work is billed at \$85/hr. Monday's work is billed at \$52/hr. Fifteen (15) trucks ran each day for 12 hours ±.
- **Material** 75,000.00  
Approx. 2000 tons of Tip-Rap was hauled to the site at cost of \$30/ton plus and 15% mark-up. Approx. 100 cubic yards of sand was also placed at \$20/c.y. including mark-up.

Total \$150,000.00

Bureau of Engineering 2/17/98

**OCEAN BEACH SAND SLOPE EROSION EMERGENCY REPAIRS****DPW-Bureau of Engineering & Bureau of Construction Management**

<u>Position</u>	<u>Hourly Rate</u>	<u>Total Hours</u>	<u>Amount</u>
Construction Inspector (6318)	64.84 ST	50	\$3,242.00
Construction Inspector (6318)	97.24 OT	28	2,723.00
Senior Civil Engineer (5210)	92.12 ST	100	9,212.00
Project Manager II (5504)	90.43 ST	100	9,043.00
Principal Administrative Analyst (1824)	79.83 ST	25	1,996.00
Junior Civil Engineer (5202)	58.73 ST	25	1,468.00
Engineer Trainee (5382)	39.74 ST	<u>83</u>	<u>3,331.00</u>
Total:		<u>411</u>	<u>\$31,015.00</u>

---

Note: Hourly rates include fringe benefits @ 40% and Department overhead @ 58%

ST = Straight Time

OT = Overtime (1.5)

## City and County of San Francisco

Department of Public Works  
Finance and Budget Division

February 13, 1998

Mr. Harvey Rose  
Board of Supervisors' Budget Analyst  
1390 Market Street, Suite 1025  
San Francisco, California 94102

Subject: File 98-0211 - Emergency Repair, Ocean Beach Slope Erosion Funding

Dear Mr. Rose:

As you may be aware, the Department of Public Works (DPW or the Department) is not allocated funds in its annual budget appropriation for unforeseen, unanticipated emergency repair capital projects. With regard to the funding of the immediate emergency work required at Ocean Beach Slope, DPW is currently investigating whether there are previously appropriated funds available that could be properly used to finance this project.

Because this is an emergency situation and DPW engineers are still in the process of assessing the full extent of the damage, precise cost estimates cannot be provided at this time. In addition, continuing forecasts for heavy rains in the short term aggravate the Department's ability to provide your office with a definitive figure for potential costs.

The Department is committed to investigating and identifying previously appropriated funds and intends to use any and all such funds as is prudent and proper to fully fund the necessary repair work at Ocean Beach Slope. However, in the event that the Department is unable to find previously appropriated funds to fully finance the costs of repairs at Ocean Beach, the Department will be required to seek a supplemental appropriation from the General Fund Reserve.

During the review process of the Department's proposed FY 1998-99 budget, DPW urges the City to support its request to make \$200,000 in Capital Improvement Program (CIP) funds available to fund future unforeseen, unanticipated emergency repair projects. This request has been denied in the previous two budget cycles and given last year's emergency at Edgehill and this year's emergencies at John Muir Drive, Ocean Beach, and Clayton Street, the need for the funds to protect the safety of San Francisco citizens more than justifies the request.

If you have any questions concerning the emergency work at Ocean Beach Slope, please contact me at (415) 558-4506 or Mr. John Pons, Project Manager at (415) 558-4017.

Sincerely,

*Theresa Burke*  
Theresa Burke  
Transportation Finance Analyst

cc: Tina Olson, Manager for Finance and Budget  
John Pons, Project Manager



Item 1c - File 98-88

**Department:** Commission on the Aging  
Department of Human Services

**Item:** Hearing to consider the release of reserved funds for the Commission on the Aging (COA) in the amount of \$100,000 for the purpose of contracting with Calvin Y. Louie, Certified Public Accountant (CPA) for the audit of the COA's contracts with direct services.

**Amount:** \$100,000

**Source of Funds:** \$100,000 in reserved funds in the Commission on the Aging's FY 1997-98 budget.

**Description:** As part of the 1997-98 budget process, the Finance Committee reserved \$100,000 in the COA budget for the contractual services of a CPA firm. The COA is now requesting the release of \$100,000 in reserved funds in order to enter into a contract with Calvin Y. Louie, CPA, for the audit of COA's contracts with 37 non-profit organizations.

According to Mr. Lawrence M. Ross, CPA Chief Fiscal Officer of the COA, the COA contracts with 37 non-profit organizations which provide services such as, emergency housing, legal services and home delivered meals. Mr. Ross advises that the COA is mandated by the California Department of Aging to undergo a biannual audit of each of its contracts with non-profit organizations.

**Budget:** The Attachment to this report, provided by the COA, is a budget for Calvin Y. Louie, CPA including the hours and hourly rates for services to be performed.

**Comments:** 1. According to Mr. Ross, Calvin Y. Louie, CPA was selected through a Request for Proposal (RFP) to provide the proposed audit services. Mr. Ross reports that a total of six firms submitted bids for the project and Calvin Y. Louie, CPA was selected after receiving the highest evaluation of the six firms. Proposals were received from the following firms:

Memo to Finance Committee  
February 25, 1998 Finance Committee Meeting

<u>Name of Firm</u>	<u>Bid Amount</u>	<u>Evaluation Points</u>
Calvin Y. Louie	\$94,325	377
Izabal, Bernaciak & Company	89,000	345
Lee, Quan, Ho & Le, LLP	84,000	315
Jean Pierre	106,208	313
F. Vida Jalali	79,500	302
Vargas, Lopez & Company	173,500	248

2. Attachment 1 contains estimated hours and hourly rates supporting the audit price of \$94,325.

3. As noted above, the bid amount of the proposed contract with Calvin Y. Louie is \$94,325 which is \$5,675 less than the reserve of \$100,000. Therefore, in accordance with the attached memo (Attachment 2) from Mr. David Ishida of the COA, \$5,675 should be reserved.

**Recommendation:** Approve the release of \$94,325 in reserved funds and continue to reserve \$5,675.



(a) Test the accuracy of the meals reported.

- x. Evaluate results, form audit opinions, and issue draft of the audit report to the subcontractor and COA officials.

d. Conclude the Audit

Staff Involved: Manager, Seniors and Semi-Seniors  
Budgeted Hours: 365

- i. Schedule and hold exit conference with the subcontractor and the Chief Fiscal Officer of the COA, or his representative, to discuss the audit findings.
- ii. Correct draft of the audit report, if necessary.
- iii. Issue final audit report to the subcontractor and COA.

D. Cost of Audit

1. The all-inclusive maximum fee for the audit will be \$94,325 and is based on the following budget:

<u>Position</u>	<u>Hourly Rates</u>	<u>Estimated Hours</u>	<u>Total Fees</u>
Principal	\$ 65	210	\$ 13,650
Manager	50	700	35,000
Senior	35	105	3,675
Semi-Senior	30	700	21,000
Junior	25	840	21,000

Total all-inclusive maximum two years audit fees	2,555*	\$ 94,325
	=====	=====

Hourly rate for additional audit/special services:  
 \$ 39/hour

- \* During the past two year audit, my firm spent over 3,264 hours on the engagement, however, I only billed a total of 2,034 hours for the entire engagement as per our contract. I believe 2,555 hours for the next two year audit cycle would be a reasonable amount of time for the engagement.

## City and County of San Francisco

## Commission on the Aging



## MEMORANDUM

**DATE:** February 12, 1998  
**TO:** Harvey Rose, Board of Supervisors Budget Analyst  
**FROM:** *DI* David Ishida, Executive Director  
**SUBJECT:** Reserve Funds \$5,675

As per our conversation, the COA is requesting the \$5,675 remain on reserve for accounting services to be performed by the contractor as identified by the department.

Thank you for your consideration.

Item 1d – File 98-199

**Department:** Juvenile Probation Department

**Item:** Hearing to consider release of \$118,222 reserved for contractual services at the Juvenile Probation Department's Log Cabin Ranch, including (a) Aftercare Program services and (b) carpentry teachers.

**Amount:** \$118,222

**Source of Funds:** State AB 1483

**Description:** The Juvenile Probation Department's Log Cabin Ranch, located approximately 60 miles south of the City near the town of La Honda, is a detention facility for male juveniles. Log Cabin Ranch currently serves an average of 45 juveniles who are referred to the facility through the court system.

In May of 1997, the Board of Supervisors approved a supplemental appropriation (File 101-96-69) in the amount of \$472,209 in State AB 1483 funds to pay for salaries, materials, supplies, contract services, facilities maintenance and equipment for the Log Cabin Ranch. At the same time, the Board of Supervisors placed \$118,222 of the \$472,209, which was earmarked for contractual services, on reserve pending the Department's selection of contractors and provision of contract expenditure details.

The Juvenile Probation Department has selected the San Francisco League of Urban Gardeners (SLUG) to provide Aftercare Program services for clients at Log Cabin Ranch for the period January 1, 1998 to December 31, 1998. Specifically, SLUG will provide intensive supervision, case management and family support services annually to 45-60 youth. Of the total number of youth participating in the Program, up to 30 will participate in the Program for an average of six months at any one time. The total amount of the contract is \$99,000. Attachment I provides contract expenditure details.

Additionally, the Department has selected Mr. Albert J. Herbert and Mr. Robert G. Patrick to provide carpentry

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

classes for clients at Log Cabin Ranch for the period September 1, 1997 through June 30, 1998. The total amount of each of these contracts is \$22,660 (see Attachment II for details) for an overall total amount of \$45,320.

**Comment:**

Of the \$118,222 on reserve, \$99,000 will fund the SLUG Aftercar Program services contract. According to Ms. Sandy Brown-Richardson of the Juvenile Probation Department, the remaining \$19,222 (\$118,222 less \$99,000) on reserve will pay for a portion of each of the total contract amounts for the carpentry teachers. Ms. Brown-Richardson reports that the balance of \$26,098 (\$45,320 total contract minus \$19,222 release of reserve) will be paid for by a future supplemental appropriation of AB 1483 funds.

**Recommendation:**

Approve the release of reserved funds as requested.

## Budget - Finance, Budget and Personnel

3. Provide budget figures for the following:

Budget Category	Program Budget	Organization Budget
Personnel	\$49,000	\$1,192,147
Benefits	\$10,290	
Travel	\$1,500	
Consultant Services		
Rent		
Equipment		
Workshop Materials/Supplies	\$2,000	
Other (Youth Wages)	\$36,210	
<b>TOTAL BUDGET</b>	<b>\$99,000</b>	<b>\$1,930,845</b>

## Budget - Finance, Budget and Personnel

4. Provide the justifications for the following Program expenditures:

Budget Category	Line Item Explanations by Budget Category
Personnel	Program Coordinator (32hrs/wk x \$20/hr x 50wks) Work Supervisor (20hrs/wk x \$17/hr x 50 wks)
Benefits	21% Fringe
Travel	To and From Log Cabin
Consultant Services	
Rent	
Equipment	
Materials/Supplies	Educational workshops: Health, Career, Life skill
Other	Youth Wages include fringe (\$7/hr)
<b>TOTAL BUDGET</b>	

APPENDIX B

Calculation of Charges

1. Personnel or Hourly Rate:

One Instructor @ \$28.33 per hour X 20 hours per week X 40 weeks = \$22,660

Monthly cost not to exceed \$2,266

2. Mileage:

20 cents a mile X a maximum of 100 miles daily X 200 days = \$4,000

Robert G. Patrick

APPENDIX B

Calculation of Charges

1. Personnel or Hourly Rate:

One Instructor @ \$28.33 per hour X 20 hours per week X 40 weeks = \$22,660

Monthly cost not to exceed \$2,266

2. Mileage:

20 cents a mile X a maximum of 100 miles daily X 200 days = \$4,000



Items 1e & 1f - Files 98-214 & 98-215

**Department:** San Francisco Fire Department (SFFD)

**Items:** **File 98-214:** Hearing to consider release of reserved funds from 1986 Fire Protection Bond interest earnings, in the amount of \$24,850, to partially fund the purchase and installation costs of one emergency generator at Fire Station No. 26, located at 80 Digby Street.

**File 98-215:** Hearing to consider release of reserved funds from 1992 Fire Protection Bond interest earnings in the amount of \$266,000 to fund the construction contract of Fire Station No. 26, Phase III.

**Amount and**

<b>Source of Funds:</b>	1986 Fire Protection Bond interest earnings	-	\$24,850
	1992 Fire Protection Bond interest earnings		<u>266,000</u>
	<b>Total</b>		<b>\$290,850</b>

**Description:** According to Mr. Peter Wong of the DPW's Bureau of Architecture, the subject request would provide funds for the purchase and installation costs for one emergency generator (File 98-214) and construction work (File 98-215) for Fire Station No. 26, located at 80 Digby Street.

**File 98-214:** In 1992 and 1995, the State awarded two separate Hazard Mitigation Grants for a total of \$766,000 to the City, to be used by the San Francisco Fire Department (SFFD) to fund 50 percent of the total estimated project costs for the purchase and installation of 20 emergency generators equipped with automatic switches at various Fire Stations, including Fire Station No. 26. The estimated project cost for the purchase and installation of the emergency generator at Fire Station No. 26 is \$49,700. Under the terms of the Hazard Mitigation Grant, State funds would provide 50 percent of the total estimated project costs, or \$24,850, and the City would be required to fund the remaining 50 percent, or \$24,850.

In February of 1997, the Board of Supervisors approved a supplemental appropriation ordinance reappropriating \$110,675 of surplus 1986 Fire Protection Bond interest earnings in order to fund a portion of the City's match of the Hazard Mitigation Grant for emergency generators. Of this

\$110,675, \$25,000 was earmarked for Fire Station No. 26 and placed on reserve pending the DPW's selection of contractors for the purchase and installation of one emergency generator at Fire Station No. 26 (File 101-94-6). The subject request under File 98-214 would authorize the release of \$24,850 in reserved funds to fund the City's required match for the purchase and installation costs for one emergency generator at Fire Station No. 26, leaving a balance of \$150 on reserve.

**File 98-215:** On March 6, 1996, the Board of Supervisors approved an ordinance appropriating \$1,600,000 of 1992 Fire Protection Bond interest earnings for ten capital improvement projects for the SFFD (File 101-95-45). Of this amount, \$400,000 was earmarked for design, engineering, construction management and construction contract costs related to Fire Station No. 26. Because DPW had not selected contractors to perform the construction work for Fire Station Nos. 10, 25, 26, and 42, the Board of Supervisors reserved a total of \$558,000, including \$266,000 for Fire Station No. 26, pending DPW's selection of contractors, and contract cost details. Of that \$558,000, \$180,000 was subsequently released by the Finance Committee for costs related to the renovation of Fire Stations No. 42 and No. 10, leaving a current balance on reserve of \$378,000. The proposed request (File 98-215) would authorize the release of \$266,000 for the construction contract to renovate Fire Station No. 26. The renovation work includes asbestos abatement, separate shower and locker facilities for female firefighters, mechanical and electrical system upgrades, and disability access improvements in public areas in accordance with the American Disabilities Act.

**Budget:**

On January 28, 1998 DPW awarded a contract in the amount of \$339,800 to Kin Wo Construction, Inc., for the purchase and installation costs of one emergency generator and renovation work at Fire Station No. 26. The subject requests for release of reserved funds would fund \$290,850 of this contract, consisting of \$24,850 for the emergency generator (File 98-214) and \$266,000 for renovation costs at Fire Station No. 26 (File 98-215). The sources of funds for the balance of \$48,950 of the \$339,800 contract are: (1) \$24,100 in previously appropriated monies from the third and final sale of 1992 Fire Protection Bonds in October of 1996 (File

101-96-12) for construction related costs; and (2) \$24,850 from the above noted, previously approved Hazard Mitigation Grant to fund 50 percent of the \$49,700 cost of the emergency generator. The Schedule of Bid Prices and Construction Cost Breakdown, provided by Mr. Wong, are shown as Attachments I and II to this report.

**Comment:** DPW received seven bids for the purchase and installation costs of an emergency generator and construction work at Fire Station No. 26. Mr. Wong reports that the low bid was submitted by Kin Wo Construction, Inc. (see Attachment I for the Schedule of Bid Prices). The firms which bid for the contract and their bid amounts, are as follows:

<u>Bidders</u>	<u>Amount Bid</u>
Kin Wo Construction, Inc.	\$339,800
Admond Construction, Inc.	377,800
MH Construction Management Company	391,000
HCG Associates, Inc.	392,700
Alpha Bay Builders, Inc.	399,000
C H General Contractors	408,000
P & A Construction	424,000

**Recommendation:** Approve the release of \$290,850 in reserved funds as requested. (Files 98-214 & 98-215).

## SECTION 00310 - SCHEDULE OF BID PRICES

For SFFD Station No. 26  
Improvements - Phase III  
Renovations in strict  
accordance with the Contract  
Documents

KIN WO CONSTRUCTION, INC.

Bidder's Firm Name

Bidders must bid on all Bid  
Items

2401A INGALLS STREET

Street Address

The quantities shown will be  
used as a basis for comparing  
bids and may not agree with  
the actual quantities of Work

SAN FRANCISCO, CA 94124

City Zip Code

Entries must be printed in  
black ink or typed.

(415) 671-1068

(Area Code) Telephone No.

The undersigned, having examined the Site, all reference documents and drawings and become familiar with the terms and conditions of the Contract Documents and with the local conditions affecting performance and costs of Work, having fully inspected the Site in all particulars, hereby proposes and agrees to fully perform the Work within the time stated herein, and for the following sum of money.

Bid Item No.	Bid Item Description	Estimated Quantity	Unit	Unit Price (\$)	Extension (\$)
1	Base Bid: Selective demolition of existing building components. Renovation and new construction work including cutting and patching, wall and ceiling framing, architectural woodwork and refinishing, painting, mechanical, plumbing, electrical, architectural finishes, installation of backing plates for cabinetry and all appurtenant work required under the Contract Documents.	-	LS	-	\$27,200
2	Emergency Generator and its related work for a functional system.	-	LS	-	\$49,700

3	Mobilization (refer to specification Section 01505) 5% maximum of total lump sum bid.	-	LS	-	\$ <u>13,900</u>
	Total Lump Sum Bid Price (In figures, summation of Bid Items 1 through 3 above)				\$ <u>33,980</u>

JOB NO.: 1071H

SFFD STATION IMPROVEMENT PH.III

Work Scope: General renovation which includes, hazardous material abatement, increased accessibility to public areas, separate facilities for female firefighters, mechanical and electrical systems improvements and related work.

## CONSTRUCTION CONTRACT COST BREAKDOWN

## ITEM 1. CONSTRUCTION CONTRACT(BASE BID)

Prime Contractor WBE/MBE/LBE (43.46% of Base Bid)

Kin Wo Construction, Inc., General Contractor	147,700
---	---------

Subcontractors MBE (50.65% of Base Bid))

D & S Plumbing	21,300	
Yum's Mechanical	50,800	
WL Electric	<u>100,000</u>	
		172,100

Subcontractors WBE (5.89% of Base Bid))

City Lumber	12,000	
Kin Wo Iron	<u>8,000</u>	
		20,000

Total (ITEM 1):-Base bid construction contract:		339,800
---	--	---------

## ITEM 2. FUNDING SOURCE:

a. Bond Interest Earning Appropriation - Construction Reserve	266,000	Total Request
b. 50% State Hazard Mitigation Grant/ 50% 1986 Fire Protection Program (For Emer. Generator)	49,700	
c. Available/Approved Bond Fund	<u>24,100</u>	
Total:(ITEM 2)	<u>\$339,800</u>	



Item 1g-File 98-216

**Department:** San Francisco Fire Department (SFFD)

**Item:** Hearing to consider release of reserved funds in the amount of \$1,176,000 for the purpose of funding the renovation contract and related services for Fire Station 19 located at 390 Buckingham Way.

**Amount:** \$1,176,000

**Source of Funds:** 1992 Fire Protection Bond Proceeds

**Description:** In November of 1992, the voters approved Proposition C, General Obligation 1992 Fire Protection Bonds totaling \$40,800,000 to finance improvements related to various Fire Department facilities.

On June 26, 1996, \$14,285,000 in Proposition C, General Obligation 1992 Fire Protection Bonds were sold by the City, which was the final amount under this bond issue (File 170-96-5). These bonds were sold to provide financing for architectural and engineering services and construction costs in connection with the renovation of Fire Department facilities. The renovation work includes seismic upgrades, providing private restroom and locker room facilities for female firefighters, and various other facility renovations of 20 Fire Department facilities. Also, a portion of the bond proceeds would pay for the costs related to administration of the bond program. On October 20, 1996, the Board of Supervisors approved a supplemental appropriation ordinance appropriating \$14,233,588 from the bond sale. Of this amount, \$7,864,100 was reserved pending submission to the Finance Committee of contract cost details (File 101-96-12).

The Department is now requesting the release of \$1,176,000 of the balance on reserve of \$7,864,100 for the SFFD to enter into a contract with MH Construction Management Company in order to provide the following renovation work to Fire Station 19 located at 390 Buckingham Way: (1) seismic upgrades; (2) mechanical and electrical system upgrades; (3) increased access for disabled persons; (4) separate shower and locker facilities for female firefighters; and (5) asbestos abatement.

Memo to Finance Committee  
February 25, 1998 Finance Committee Meeting

**Budget:** Mr. Peter Wong of the DPW's Bureau of Architecture provided the following budget for the requested allocation of \$1,176,000:

<u>Prime Contractor</u>		
MH Construction Management Company		\$679,880
<u>Subcontractors</u>		
D & S Plumbing	\$57,000	
E & H Electric	163,000	
JC Metal (Steel)	33,000	
Pioneer Roofing	39,520	
Priority Architectural (Signage)	1,600	
United California Glass	<u>42,000</u>	336,120
Construction Contingency		
(12.75% of Base Bid of \$1,016,000)		129,500
<u>DPW Costs</u>		
Materials Testing of		
Concrete and Steel		
(Lump Sum)	\$14,000	
Prevailing Wages Check		
(62 hours x \$65/hour)	4,000	
Public Affairs		
(38 hours x \$65/hour)	2,500	
Administrative Support		
(182 hours x \$55/hour)	<u>10,000</u>	
		<u>30,500</u>
<b>Total</b>		<b>\$1,176,000</b>

**Comment:** Mr. Wong reports that MH Construction Management Company was selected as the low bidder through an Invitation for Bids process. The firms which bid for this contract, and their bid amounts, are as follows:

	Amount
<u>Bidders</u>	<u>Bid</u>
MH Construction Management Company	\$1,016,000
Alpah Bay Builders, Inc.	1,040,000
Kin Wo Construction, Inc.	1,067,200
Chiang, C M Construction Co., Inc.	1,084,922
C H General Contractors	1,090,000
L C General Engineering & Construction, Inc.	1,104,400
M L S Construction	1,121,410
A R Construction Co.	1,235,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
February 25, 1998 Finance Committee Meeting

**Recommendations:** Approve the release of reserved funds in the amount of \$1,176,000.



Item 2 - File 98-208

**Department:** Department of Public Works (DPW)  
Transportation Authority

**Item:** Ordinance appropriating \$200,000 of Broadway parking lot revenues to fund the local share of the cost to prepare a Countywide Transportation Plan.

**Amount:** \$200,000

**Source of Funds:** Revenue from Broadway Parking Lots located at Broadway and Sansome Streets.

**Description:** Parking revenues from the Broadway Parking Lots were originally earmarked by DPW for the development of a Northeast Quadrant Transportation Study (NEQTS). The NEQTS was proposed as a mitigation measure in the Mid-Embarcadero Roadway Project's Environmental Impact Report/Study. According to Ms. Theresa Burke of the DPW, the purpose of the NEQTS was to address permanent changes in circulation and travel patterns as well as the loss of connectivity to the regional freeway system resulting in part from the demolition of the Embarcadero Freeway. Ms. Burke reports that in order to address these permanent changes, the City needed to comprehensively examine the transportation issues in the entire northeast sector and to consider both short and long term improvements.

The San Francisco County Transportation Authority was to coordinate the NEQTS. In April 1997, however, the Transportation Authority identified funds for a Countywide Transportation Plan and decided, with support from the Chinatown/North Beach Community, according to Ms. Burke, to incorporate the scope of the NEQTS into the countywide plan. According to Ms. Burke, the reason for doing so was to optimize the use of scarce resources and to ensure that the recommendations for the Northeast Quadrant were developed and adopted as part of a document that would increase the chances for Mid-Embarcadero-related mitigation to be fully funded and implemented. Ms. Burke advises that under State statutes, the recommendations from countywide plans

developed in the Bay Area serve as the basis for programming projects in the regional and State transportation improvement programs, which are the key funding mechanisms. In contrast, a NEQTS circulation study would not provide a recognized program status.

The proposed legislation would approve \$200,000 to partially fund a Countywide Transportation Plan, with a total cost of \$745,000, which will provide guidance for transportation priorities for the next 20 years, reports Ms. Maria Lombardo of the Transportation Authority.

**Budget:**

The proposed budget for the Countywide Transportation Plan, with a total cost of \$745,000, includes funding from a previously approved Federal Surface Transportation Program (STP) grant in the amount of \$545,000 and the subject proposed ordinance appropriating \$200,000 in Broadway Parking Lot revenue. Of the proposed \$200,000 from the Broadway Parking lot revenue, \$175,000 will be allocated to the Transportation Authority to complete the Northeast Quadrant portion of its Countywide Transportation Plan and \$25,000 would be allocated to the Department of Public Works to provide the necessary geographic base maps required for the Countywide Transportation Plan (see Comment No. 1). The total proposed budget is as follows:

	Broadway Parking Revenues Of \$200,000 for Northeast Quadrant Transportation Study	Previously Approved Federal (STP) Grant of \$545,000	Total
<b>Professional &amp; Technical Services</b>			
Contract Project Manager	\$30,000	\$127,500	\$157,500
Transportation Planning/Traffic			
Engineering Consultant Services	133,000	347,000	480,000
Community Participation	10,000	35,000	45,000
Printing and Graphics	<u>2,000</u>	<u>6,400</u>	<u>8,400</u>
Subtotal	175,000	515,900	690,900
<b>Administrative Overhead</b>	0	14,100	14,100
<b>Computer Equipment and Furniture</b>			
DPW Geographic Information System Base Maps	25,000	0	25,000
Misc. Computer Equipment & Furniture	0	10,000	10,000
<b>Training/Travel/Conference</b>	<u>0</u>	<u>5,000</u>	<u>5,000</u>
<b>Total</b>	\$200,000	\$545,000	\$745,000

**BOARD OF SUPERVISORS  
BUDGET ANALYST**



**Comments:**

1. Ms. Lombardo reports that the DPW's Geographic Information System (GIS) maps contain highly accurate, digitized aerial photographs. DPW charges all City and County departments a flat fee of \$25,000 for access to these GIS maps. Ms. Lombardo advises that the Transportation Authority will use the maps as a baseline, which will be digitally altered in order to test various changes to the transportation system as part of the research in the Countywide Transportation Plan.

2. According to Ms. Lombardo, the Transportation Authority plans to award the contract for Project Manager during March of 1998. Ms. Lombardo reports that the Project Manager will negotiate and coordinate multiple consultant contracts for development of various technical tasks in the Countywide Transportation Plan. Award of those contracts is anticipated to begin as early as May of 1998.

3. Ms. Burke reports that DPW estimates the Broadway Parking Lots will generate parking revenues of approximately \$261,000 annually.

4. Ms. Lombardo states that \$5,000 in the Countywide Transportation Plan budget allocated to Training/Travel/Conferences will be used for such things as BART and MUNI fares for the Project Manager and other staff to attend planning meetings, attendance at the Association of Bay Area Governments (ABAG) Demographic Projections Conference, which will provide information that must be included in the Plan, as well as funding for specialized training that may be required.

**Recommendation:**

Approve the proposed ordinance.



Item 3 – File 98-236

**Department:** Mayor's Office of Public Finance

**Items:** Resolution authorizing and directing the sale of up to \$47,000,000 of City and County of San Francisco General Obligation Bonds Series 1998C, as the initial sale in a series of the Educational Facilities Bonds, 1997, to be issued on behalf of the San Francisco Unified School District.

**Description:** In June of 1997, a total of \$140,000,000 in General Obligation Bonds (Educational Facilities Bonds, 1997) was approved by the electorate to provide funding for the acquisition, construction, and/or reconstruction of educational facilities to be used by the San Francisco Unified School District (\$90 million) and the Community College District (\$50 million). Resolution No. 1027-97, approved by the Board of Supervisors in November of 1997, authorized the sale of \$17,000,000 of Series 1998B General Obligation Bonds for the Community College District.

The proposed resolution would authorize the sale of the initial series of the San Francisco Unified School District bonds, in an aggregate principal amount of up to \$47,000,000 (Series 1998C), to provide funding for the San Francisco Unified School District projects. The proposed resolution also approves the form and terms of documents and official notices related to the sale, and authorizes City officials to take various actions necessary to carry out the sale of the bonds.

The proceeds from the sale of the proposed bond funds would be used by the San Francisco Unified School District to fund: (1) new school construction at seven different sites; (2) high school and middle school science laboratory modernization; (3) technology/electrical infrastructure upgrades; (4) seismic upgrades; and (5) Children's Center upgrades. The Attachment to this report, prepared by Mr. Tim Tronson of the San Francisco Unified School District, provides the budget for these projects.

The general provisions of the sale of the bonds, in the amount of up to \$47,000,000 (Series 1998C) for the San Francisco Unified School District, are as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

- The sale of the bonds is tentatively scheduled to be held on March 25, 1998.
- The bonds would be sold at an interest rate not to exceed 12 percent per year and will have a final maturity of 2017, or 20 years.
- Bonds redeemed by the City after the call protection period (8 years) and prior to maturity would be subject to redemption prices incorporated in the proposed resolution.
- An official statement describing the bonds to be sold is incorporated in the proposed resolution for approval by the Board of Supervisors. The official statement would be available to all bidders for the bonds.
- Bonds will be awarded to the bidder whose bid represents the lowest true interest cost to the City, in accordance with the procedures described in the Notice of Sale.
- Bids will be received by the Clerk of the Board of Supervisors and awarded by the Finance Committee of the Board of Supervisors.

**Comments:**

1. As stated above, the annual interest rate of the initial series of bonds could not exceed 12 percent. However, Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance reports that if the bonds are sold in March of 1998, the bonds would probably be sold with an overall effective interest rate of approximately 5.147percent, and would have an average interest rate of 5.179 percent over the 20-year term of the bonds.
2. Ms. Hollenbeck estimates that with a 20-year term for the bonds, and an expected average interest rate of approximately 5.179 percent, the proposed sale of bonds in the total amount of \$47,000,000 would result in total interest costs of approximately \$28,946,659 and a total debt service requirement of approximately \$75,871,659 over the life of the bonds. Over the 20-year period, this would result in an average debt service requirement of approximately \$3,850,267 per year.

3. According to Mr. Madden of the Controller's Office, the proposed bond sale in the amount of \$47,000,000 would result in an increase in the Property Tax rate of approximately .7 cents. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$27.50 in additional property taxes annually due to the issuance of these bonds.

4. The City has a legal debt limit of 3 percent of net assessed property value, as provided in Section 9.106 of the City's Charter. Under the legal debt limit, the City's General Obligation bonding capacity is \$1,757,867,490 for the FY 1997-98. As of January 1, 1998, the amount of the City's outstanding General Obligation bonds was \$839,865,000. Consequently, the City's current available General Obligation bonding capacity under the 3 percent legal debt limit is approximately \$918,002,490 (\$1,757,867,490 in bonding capacity less \$839,865,000 in outstanding bonds).

5. Ms. Hollenbeck advises that the estimated cost of selling the proposed bonds, including fees for bond counsel, financial advisors, and the services of the City Attorney's Office, is \$150,000. A supplemental appropriation for such costs will be submitted for approval to the Board of Supervisors at a later date.

6. All future expenditure appropriations from the sale proceeds of the bonds for the improvement projects, including the appropriation for the bond issuance costs, would be subject to separate appropriation approval by the Board of Supervisors.

**Recommendation:** Approve the proposed resolution.

ENCUMBRANCE BOND FUND EXPENDITURE CHART

LOS ANGELES UNITED SCHOOL DISTRICT  
1997 FISCAL YEAR BOND FUND  
PAGE 1

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000	3001	3002	3003	3004	3005	3006	3007	3008	3009	3010	3011	3012	3013	3014	3015	3016	3017	3018	3019	3020	3021	3022	3023	3024	3025	3026	3027	3028	3029	3030	3031	3032	3033	3034	3035	3036	3037	3038	3039	3040	3041	3042	3043	3044	3045	3046	3047	3048	3049	3050	3051	3052	3053	3054	3055	3056	3057	3058	3059	3060	3061	3062	3063	3064	3065	3066	3067	3068	3069	3070	3071	3072	3073	3074	3075	3076	3077	3078	3079	3080	3081	3082	3083	3084	3085	3086	3087	3088	3089	3090	3091	3092	3093	3094	3095	3096	3097	3098	3099	3100	3101	3102	3103	3104	3105	3106	3107	3108	3109	3110	3111	3112	3113	3114	3115	3116	3117	3118	3119	3120	3121	3122	3123	3124	3125	3126	3127	3128	3129	3130	3131	3132	3133	3134	3135	3136	3137	3138	3139	3140	3141	3142	3143	3144	3145	3146	3147	3148	3149	3150	3151	3152	3153	3154	3155	3156	3157	3158	3159	3160	3161	3162	3163	3164	3165	3166	3167	3168	3169	3170	3171	3172	3173	3174	3175	3176	3177	3178	3179	3180	3181	3182	3183	3184	3185	3186	3187	3188	3189	3190	3191	3192	3193	3194	3195	3196	3197	3198	3199	3200	3201	3202	3203	3204	3205	3206	3207	3208	3209	3210	3211	3212	3213	3214	3215	3216	3217	3218	3219	3220	3221	3222	3223	3224	3225	3226	3227	3228	3229	3230	3231	3232	3233	3234	3235	3236	3237	3238	3239	3240	3241	3242	3243	3244	3245	3246	3247	3248	3249	3250	3251	3252	3253	3254	3255	3256	3257	3258	3259	3260	3261	3262	3263	3264	3265	3266	3267	3268	3269	3270	3271	3272	3273	3274	3275	3276	3277	3278	3279	3280	3281	3282	3283	3284	3285	3286	3287	3288	3289	3290	3291	3292	3293	3294	3295	3296	3297	3298	3299	3300	3301	3302	3303	3304	3305	3306	3307	3308	3309	3310	3311	3312	3313	3314	3315	3316	3317	3318	3319	3320	3321	3322	3323	3324	3325	3326	3327	3328	3329	3330	3331	3332	3333	3334	3335	3336	3337	3338	3339	3340	3341	3342	3343	3344	3345	3346	3347	3348	3349	3350</
--	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	--------



SAF FRANCISCO UNIFIED SCHOOL DISTRICT  
1997 PROPOSITION A BOND ISSUANCE  
PHASE I

SCHOOL	Month 1 Jan-1998	Month 2 Feb-1998	Month 3 Mar-1998	Month 4 Apr-1998	Month 5 May-1998	Month 6 Jun-1998	Month 7 Jul-1998	Month 8 Aug-1998	Month 9 Sep-1998	Month 10 Oct-1998	Month 11 Nov-1998	Month 12 Dec-1998	Month 13 Jan-1999	Month 14 Feb-1999	Month 15 Mar-1999	Month 16 Apr-1999	Month 17 May-1999	Month 18 Jun-1999	End of Fiscal Year Estimated
CHANDLER HIGH SCHOOL	9,714	9,714	9,714	41,284	41,284	41,284	41,284												194,277
CHANDLER HIGH SCHOOL	14,435	14,435	14,435	61,353	61,353	61,353	61,353												248,718
CHANDLER HIGH SCHOOL	11,718	11,718	11,718	66,401	66,401	66,401													234,355
CHANDLER HIGH SCHOOL	6,876	6,876	6,876	38,966	38,966	38,966													137,528
CHANDLER HIGH SCHOOL	14,736	14,736	14,736	66,803	66,803	66,803													392,957
CHANDLER HIGH SCHOOL	11,372	11,372	11,372	61,552	61,552	61,552													305,247
CHANDLER HIGH SCHOOL	8,029	8,029	8,029	45,495	45,495	45,495													160,571
CHANDLER HIGH SCHOOL	9,544	9,544	9,544	54,090	54,090	54,090													254,474
CHANDLER HIGH SCHOOL	13,709	13,709	13,709	68,265	68,265	68,265													274,156
CHANDLER HIGH SCHOOL	10,063	10,063	10,063	57,026	57,026	57,026													201,257
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																			223,335
CHANDLER HIGH SCHOOL																			194,277
CHANDLER HIGH SCHOOL																</			

ENCLOSURE BEYOND FUND EXPENDITURE CHART

SAN FRANCISCO UNITED SCHOOL DISTRICT  
1997 PROPOSITION A BOND INTEREST  
PHASE I

SCHOOL	Month 1 Jan-1998	Month 2 Feb-1998	Month 3 Mar-1998	Month 4 Apr-1998	Month 5 May-1998	Month 6 Jun-1998	Month 7 Jul-1998	Month 8 Aug-1998	Month 9 Sep-1998	Month 10 Oct-1998	Month 11 Nov-1998	Month 12 Dec-1998	Month 13 Jan-1999	Month 14 Feb-1999	Month 15 Mar-1999	Month 16 Apr-1999	Month 17 May-1999	Month 18 Jun-1999	Enclosure Fiscal 1 Fiscal-1999
LAUREL HEIGHTS								21,888	21,888	21,888	21,888	21,888	21,888	21,888	21,888	21,888	21,888	21,888	729,890
MEDICAL SCHOOL								19,191	19,191	19,191	19,191	19,191	19,191	19,191	19,191	19,191	19,191	19,191	639,703
STANLEY ST. ALEX. DEVLIN MARY SCHOOL								21,022	21,022	21,022	21,022	21,022	21,022	21,022	21,022	21,022	21,022	21,022	248,717
ADOLPHUS													14,436	14,436	14,436	14,436	14,436	14,436	700,737
NEWARK MANUEL MARY SCHOOL									16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769	449,144
DR. MARTIN LUTHER KING JR. SCHOOL													12,543	12,543	12,543	12,543	12,543	12,543	261,257
LAUREL HEIGHTS													13,346	13,346	13,346	13,346	13,346	13,346	246,923
DR. WILLY KIM SCHOOL								21,667	21,667	21,667	21,667	21,667	21,667	21,667	21,667	21,667	21,667	21,667	577,776
UNIVERSITY PARK MIDDLE SCHOOL								19,582	19,582	19,582	19,582	19,582	19,582	19,582	19,582	19,582	19,582	19,582	429,903
MAUNTEA HILL SCHOOL							24,908	24,908	24,908	24,908	24,908	24,908	24,908	24,908	24,908	24,908	24,908	24,908	839,267
PONTIAC HILL SCHOOL									14,736	14,736	14,736	14,736	14,736	14,736	14,736	14,736	14,736	14,736	392,937
SAULT WATERBURY SCHOOL							22,719	22,719	22,719	22,719	22,719	22,719	22,719	22,719	22,719	22,719	22,719	22,719	757,301
ASHBURN SCHOOL												16,667	16,667	16,667	16,667	16,667	16,667	16,667	333,335
STANLEY ST. ALEX. DEVLIN MARY SCHOOL													12,630	12,630	12,630	12,630	12,630	12,630	252,394
UNIVERSITY PARK MIDDLE SCHOOL													16,615	16,615	16,615	16,615	16,615	16,615	332,305
LAUREL HEIGHTS												14,436	14,436	14,436	14,436	14,436	14,436	14,436	283,718
DR. MARTIN LUTHER KING JR. SCHOOL																			

TOTAL FUND MONTH 1,633,473 1,129,775 1,191,135 1,468,979 1,393,835 2,184,330 2,449,043 2,744,106 2,669,681 2,366,667 3,405,309 3,431,794 3,457,345 3,351,956 3,104,387 3,061,649 2,699,237 2,796,474

46,823,181

PHASE I TOTAL EXPENDITURE

46,823,181

FEB-19-1998 10:56

SFUSD

Item 4 – File 98-203

**Department:** Department of Human Resources (DHR)

**Item:** Ordinance adopting and implementing the provisions of an amendment to the Memorandum of Understanding between the City and County of San Francisco and Teamsters, Local 350, providing that all covered employees be placed into full retirement contribution status effective June 30, 1998, following approval by the Mayor.

**Description:** The Board of Supervisors previously approved legislation ratifying the Memorandum of Understanding (MOU) between the City and the Teamsters, Local 350, for the period of July 1, 1995, through June 30, 1998.

As shown in the Attachment to this report, Local 350 represents the two positions in Classification 3321, Senior Animal Keeper.

Mr. Kieran Murphy of the Employees' Retirement System advises that employee contributions to the Retirement System made by City employees are either (1) "full pre-tax" contributions (that is, Federal and State income taxes on all of the of the employee's contributions to the retirement system are deferred until the money is paid back to the employee either in the form of a refund upon separation from the City, or in the form of a retirement benefit payment), or (2) "partial pre-tax and partial after-tax" contributions (that is, Federal and State income taxes are deferred on only a portion of the covered employee's contributions to the Employees' Retirement System).

In accordance with Administrative Code Section 16.61-1, employees generally make an individual choice as to whether their contributions would be fully pre-taxable or partially pre-taxable/partially after-taxable. However, Section 16.61-1(4)(a) of the Administrative Code provides that MOUs may specify, under the mutual agreement of the bargaining unit and the City, that all covered employees who are members of the Employees' Retirement System will be placed into either full pre-tax contribution status or into partial pre-tax/partial after-tax contribution status.

The proposed ordinance would amend the MOU previously approved by the Board of Supervisors between the City and the Teamsters, Local 350, pursuant to Administrative Code Section 16.61-1(4)(a), to provide that all employees covered by the MOU be placed into full pre-tax contribution status. The purpose of the amendment is to allow those covered employees who are currently under partial pre-tax/partial after-tax to be converted to full pre-tax contribution status and thereby enable the employees to defer Federal and State income taxes on the amount of the employees' contributions to the Retirement System.

**Comments:**

1. According to Mr. Murphy, the proposed amendment to the MOU will have no fiscal impact on the City, but would the amount of Federal and State income taxes that would be withheld from the employees covered under the subject MOU.

2. The Controller has reported that the proposed ordinance will not result in any additional costs to the City (see Attachment). The Budget Analyst concurs with the Controller.

**Recommendation:** Approve the proposed ordinance.

FEB-18-98 19:11 FROM:CCSF CONTROLLER

ID:

PAGE 1/1



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

February 17, 1998

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Amendment to MOU for Teamsters Local 350

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the Memoranda of Understanding between the City and County of San Francisco and Teamsters Local 350. This agreement covers the period from July 1, 1995 through June 30, 1998, and affects two employees with a salary base of approximately \$90,800.

The amendment to the MOU specifies that all covered employees in this bargaining unit will be placed into full retirement contribution status effective June 30, 1998. Based on our analysis, this agreement will not result in any additional cost to the City.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

A handwritten signature of Edward M. Harrington in dark ink.  
Edward M. Harrington  
Controllercc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst

## Sheet1

UNION	UNION / LOCAL TITLE	CLASS	SUB-OBJECT TITLE	Phase D Count
350	LOCAL 350, TEAMSTERS - LOCAL 350	3321	SENIOR ANIMAL KEEPER	2.00



Item 5 - File 98-96

**Note:** This item was continued by the Finance Committee at its meeting on February 11, 1998.

**Department:** Department of Public Health (DPH)  
Department of Real Estate (DRE)

**Item:** Resolution authorizing a new lease of real property at 3801 Third Street for the Mental Health Division of the Department of Public Health (DPH)

**Location:** 3801 Third Street

**Purpose of Lease:** The proposed new lease for the DPH would consolidate three Mental Health Division Programs, including the Child Crisis Program, the Foster Care Program, and a new program in cooperation with the Juvenile Probation Department, known as the Children's System of Care Program. According to Ms. Anne Okubo of DPH, the Child Crisis Program and the Foster Care Program currently have space which is too crowded to adequately accommodate staff and clients. Additionally, the Child Crisis Program will have 12 additional employees and two additional interns, while the Foster Care Program will have four additional employees and three additional interns. The Children's System of Care Program, which is a new program, will have 14 new positions. This results in a total of 35 more positions, including 30 employees and five interns. The additional employee positions were approved by the Board of Supervisors in the FY 1997-98 budget. Ms. Okubo reports that having the three programs located at a single site, as is being requested with the subject proposed lease site, would enable the staff in the different programs to more readily consult with each other regarding the needs of the shared clients.

**Lessor:** Bayview Partners, LLC

**Lessee:** City and County of San Francisco

**No. of Sq. Ft. and  
Cost Per Month:** 14,825 square feet @ approximately \$1.35 per square foot per month, for a total of \$20,014 per month for the base rent. The

base rent is fixed for the entire term of the lease except for the pass through of increases in certain operating expenses over those of the base year, which is defined as the initial 12 months of the lease.

**Annual Cost:** \$240,165 for base rent

**Term of Lease:** The lease shall commence on the date of completion of tenant improvements (expected on or about May 1, 1998) or upon approval by the Board of Supervisors and the Mayor, whichever is later, and expire June 30, 2008, for a term of approximately 10 years and two months.

**Utilities and  
Janitorial  
Services:**

All costs for utilities and janitorial services would be the responsibility of the Landlord, except for separately metered electric service which will be paid by the City.

**Right of Renewal:** The City would have the option to extend the term for an additional two periods of five years each at 95 percent of the fair market rent. Mr. Steve Alms of the DRE advises that the fair market rent would be determined through mutual negotiations between the City and the lessor.

**Source of Funds:** Funds approved in the FY 1997-98 budget of the Mental Health Division of the DPH.

**Description:** The proposed resolution would authorize a lease at 3801 Third Street, at the southeast corner of Third and Evans Streets, to be occupied by three DPH Mental Health Division (MHD) programs: the Child Crisis Program, the Foster Care Program, and a new program in cooperation with the Juvenile Probation Department, known as the Children's System of Care Program.

The proposed premises are a portion of the multi-building Bayview Plaza retail and office complex and consist of the entire second floor of a two story building with usable area of approximately 14,825 square feet. According to Ms. Okubo, there will be a total staff of 71 (58 employees and 13 interns), providing an average of 209 square feet per employee (see Comment No. 3). Attachment I to this report, provided by DPH, shows the comparison between the amount of space currently allocated to the employees that are proposed to

move to the new site and the amount of space those employees will be allocated at the new site.

The proposed lease is estimated to commence on or about May 1, 1998. Mr. Alms reports that according to the lease, the Landlord, at no cost to the City, will make tenant improvements to the premises in order to build it out according to agreed upon specifications. The tenant improvements include modifications to the mechanical systems, the heating and air conditioning system, and electrical systems, as well as construction of walls and installation of lights and doors. Such improvements are estimated by DRE to cost approximately \$275,000. In addition to the improvements for \$275,000, the City is to reimburse the Landlord for a children's restroom and a shower area, with the City's cost not to exceed \$30,000.

**Comments:**

1. The DPH Child Crisis Program currently has a lease at 3450 Third Street for \$7,600 per month, which is shared with the Department of Human Services (DHS). That lease will not expire until June 30, 1998. Pursuant to an MOU with the DHS, the DHS provides an annual work order to DPH in the amount of \$14,468 for DHS' portion of the rent (or \$1,206 per month), resulting in a net monthly rental cost to DPH of \$6,394 (rent of \$7,600 less \$1,206 paid by DHS). Mr. Alms reports that if the subject lease is approved, the Child Crisis Program will move out of 3450 Third Street on or about May 1, 1998, leaving approximately two months of lease obligation through June 30, 1998 for a total of \$12,788.

DRE has negotiated with Bayview Plaza LLC, the Landlord of the subject proposed lease, to temporarily reduce the proposed monthly rent at 3801 Third Street by \$3,800 per month, from \$20,014 to \$16,214, from the commencement date of the subject proposed lease agreement (estimated to be May 1, 1998) through June 30, 1998, the expiration of the lease at 3450 Third Street. Therefore, approval of the subject lease will result in two rental property leases totaling \$22,608 per month (\$16,214 for the subject proposed lease at 3801 Third Street plus \$6,394 for the existing lease at 3450 Third Street) for the two month period commencing on or about May 1 to June 30, 1998, for a total of \$45,216 as a result of having to pay at two locations for two months even though the DPH will only occupy one location.

2. According to Ms. Okubo, funds for the proposed lease are included in DPH's FY 1997-98 budget, previously approved by the Board of Supervisors. Ms. Okubo advises that funds for the two month overlap in rent for the MHD Child Crisis Program that the City would be obligated to pay if the proposed lease is approved, will be paid from existing funds in the DPH FY 1997-98 budget.

3. Ms. Okubo and Mr. Alms advise that, in addition to the specialized functions of children's toilets and a shower area noted above, the programs which will occupy the premises have a number of special space requirements. Since the Child Crisis and Foster Care Programs serve small children, each requires a distinct waiting area with sufficient room to accommodate parents and siblings who regularly accompany the clients. The Foster Care Program requires confidential counseling offices, as well as two shared rooms equipped for observation of its clients at play. An off-duty lounge is provided for Child Crisis staff, many of whom are on 24-hours-per-day call. Mr. Alms indicates that the area dedicated to these special functions is approximately 2,000 square feet. Ms. Okubo estimates that up to 50 percent of the population at the proposed lease site would be comprised of clients and other visitors, including clients' family members, parole officers, and emergency personnel. Attachment II, prepared by DPH, lists the types of space at the proposed site that will be allocated to client use.

4. According to Mr. Alms, the proposed rent of \$1.35 per square foot represents fair market value.

5. Based on Attachment I, provided by DPH, the proposed lease would result in increased space of 9,648 square feet or an increase of 189 percent and an annual cost increase of \$151,440 or an increase of 171 percent. However, as previously noted, there will be 35 new positions, including 30 employees and five interns, or a total staff increase of 97 percent from the existing 36 positions. Of these 35 additional positions, 14 will work in the completely new Children's System of Care Program, which currently has no space and as such, requires that some leased space eventually be approved.

Given that two of the three programs, Child Crisis and Foster Care, which currently have 143 and 146 square feet per employee respectively, will have the previously noted authorized staff increases, and that a new lease will be needed to accommodate the Children's System of Care Program, the Budget Analyst believes the increased space at the proposed new lease site appears to be justified, particularly after considering that up to 50 percent of the persons occupying the space at the proposed new site will be clients and other visitors, according to Ms. Okubo.

**Recommendations:** Approve the proposed resolution.

12808

FINANCE UNIT

Department of Public Health  
3801 Third Street  
Lease

Loc	Program	Sq Ft	Rent	Rent/ Sq Ft	No Employees	No Interns	Total Staff	Sq Ft/ Emp.
<u>Current Site</u>								
3450 3rd St.	Child Crisis	3,425	\$ 6,394.00	\$ 1.87	18	6	24	143
3801 3rd St.	Foster Care	1,752	1,000.00	0.57	10	2	12	146
	System of Care (1)	-	-	-	0	0	0	-
	Subtotal	5,177	7,394.00		28	8	36	
<u>Future Site</u>								
3801 3rd St.	Child Crisis				30	8	38	
3801 3rd St.	Foster Care				14	5	19	
3801 3rd St.	System of Care				14	0	14	
	Subtotal	14,825	\$ 20,013.75	\$ 1.35	58	13	71	209

(1) Program does not currently exist



**Department of Public Health  
3801 Third Street  
Proposed Site Usage**

<b>SPACE</b>	<b>USE</b>
Office/Therapy Rooms	For clinicians & therapists.
Conference Room	Accommodate up to 20 people for meetings, conferences, training, etc. (e.g. probation officers, clinicians, contract providers, clients).
Waiting Rooms	Client waiting rooms. Separate waiting rooms for Foster Care clients and Child Crisis clients. Child Crisis clients can be agitated, suicidal, violent. Also, waiting area for small children (family members of clients).
Group Therapy Rooms	For group therapy sessions. Also used to house clients awaiting inpatient admission to a hospital (this may require client to wait several hours until a bed has been found).
Play Therapy Rooms	Play therapy sessions.
Probation Room	Room for probation officers to meet with staff or wait. Separate room to provide confidentiality to probation staff.
Main Reception /Office	Secure site for clients in crisis; ambulance staff and Police. Separate entrance to bring in agitated, disturbed clients.
Chart Room	Patient medical records.
Children's Toilet & Shower	For client use.
Employee Lounge	Staff lunchroom & kitchen.



Items 6, 7, 8, 9 and 10 - Files 107-97-4; 97-97-70; 97-97-71, 97-97-72; 97-97-73

**Department:** Department of Human Services (DHS)

**Items:** File 107-97-4 Resolution approving the creation of three new County Programs – Personal Assisted Employment Services (PAES), Cash Assistance Linked to Medi-CAL (CALM) and SSI Pending (SSIP), to serve adult indigent San Francisco residents and changes to the existing General Assistance Program.

File 97-97-70 Ordinance amending the San Francisco Administrative Code by adding Article X to Chapter 20 thereto, encompassing Sections 20.100 to 20.123, to establish a Cash Assistance Program for individuals who are eligible for Medi-CAL due to age or disability, but who are not eligible for Supplemental Security Income (SSI).

File 97-97-71 Ordinance amending the San Francisco Administrative Code by adding Article IX to Chapter 20, encompassing Sections 20.70 to 20.92, to create the Personal Assisted Employment Services Program to provide assistance in obtaining paid employment and a cash stipend for indigent adult residents of San Francisco.

File 97-97-72 Ordinance amending the San Francisco Administrative Code by adding Article XI to Chapter 20 thereto, encompassing Sections 20.200 to 20.224, to establish a Cash Assistance Program for individuals who applying, or have been determined eligible for Social Security Income (SSI) but who have not begun to receive payments.

File 97-97-73 Ordinance amending Part I of the San Francisco Municipal Code (Administrative Code) (a) by amending Section 20.56.6 to allow for rent payments up to the otherwise eligible client's total monthly income and or assets rather than the monthly grant amount; (b) by amending Section 20.56.11 to exclude income tax refunds and payments made under Foster Care or Food Stamps Employment and Training (FSET)/General Assistance Training and Education Services (GATES) programs from the calculation of available income or resources; (c) by adding Sections 20.56.16, 20.56.17, 20.56.18 to comply

with State law provisions regarding ineligibility for General Assistance; by amending Section 20.57 to modify the amount and computation of General Assistance Grants; (d) by amending Section 20.57.1 to provide that rent free housing shall be valued according to the Income-In-Kind chart in the California Code of Regulations rather than by fair market value, and (e) by making other amendments to change obsolete language.

**Description:**

File 107-97-4 is a resolution that would direct the creation of three new County adult assistance programs, that are the specific subject of the accompanying ordinances: the Personal Assisted Employment Services (PAES) Program; the County Assistance Linked to Medical (CALM) Program; and the Supplemental Security Income (SSI) Pending (SSIP) Program. This resolution, which was continued by the Housing and Neighborhood Services Committee and referred to the Finance Committee, also provides that there would be no time limit of the PAES stipend for individuals who are meeting PAES program requirements, and that the search for housing be considered an allowable work activity for program participants who are homeless. As mandated by the proposed resolution, the following proposed ordinances would implement these three new programs (PAES, CALM and SSIP Programs), as well as amend the Administrative Code related to changes to the General Assistance Program.

Files 97-97-70 and 97-97-72 would establish the County adult assistance programs for disabled adults. File 97-70-70 would establish the Cash Assistance linked to Medical (CALM) Program for individuals eligible for Medical due to age or disability, but who are not receiving SSI. Under File 97-97-70, individuals who are either 65 years of age or those who meet the Federal definition of disability, as determined by the State Disability Evaluation Division, will be eligible to the CALM Program at the benefit rate of \$345 per month. Recipients will be those individuals who would otherwise be eligible for SSI except for recent changes in Federal law regarding immigrants. File 97-97-72 would establish the Supplemental Security Income Pending (SSIP) Program for individuals who have medical verification of

a disability that either has lasted or is likely to last at least 12 months, but who have not been determined disabled by the State Disability Evaluation Division. An SSIP recipient would receive \$345 per month.

File 97-97-71 would create the Personal Assisted Employment Services (PAES) Program to provide employment-related services towards the goal of assisting participants to obtain paid employment. A PAES participant would receive a stipend at the rate of \$345 a month.

File 97-97-73 would approve various changes to the Administrative Code, in conformance with the operations of the three new programs and with other changes pursuant to welfare reform. The major changes to the Administrative Code under File 97-97-73 include:

Changes to the General Assistance Program and new legal provisions for three additional County programs for indigent adults, including:

General:

- (a) clarification of purposes and principals;
- (b) clarification that a client must be present for a Fair Hearing to be held, unless he or she can establish good cause, including evidence of disability;
- (c) using the phrase "is not proficient in English" instead of "has language problems".

Eligibility Requirements:

(a) Changes to General Assistance ONLY:

- (1) the specification that children under 18 who are living with, and applying for General Assistance with, their parent(s) and who have never been eligible for Temporary Assistance to Needy Families (TANF)/California Work Opportunity and Responsibility to Kids (CalWORKs) may be eligible for aid and/or services under this article;
- (2) eliminating the requirement that unemployable persons be given a medical reevaluation every three months, and eliminating the requirement that clients submit to medical or psychological evaluations within ten days of a disability claim;

Memo to the Finance Committee  
February 25, 1998 Finance Committee Meeting

- (3) complying with State law regarding the ineligibility of an individual who has reached the 60-month time limit for CalWORKs, as well as an individual who is a member of CalWORKs assistance unit and has been convicted of a substance abuse felony.
- (b) Common to ALL County Adult Assistance Programs:
  - (1) the specification that abandonment of San Francisco residency shall result in the termination of aid;
  - (2) allowing passports and immigration and naturalization identification to be used as permanent identification, and requiring applicants to provide verifiable Social Security numbers;
  - (3) complying with State law regarding the ineligibility of a fleeing felon.

Aid Payments and Benefit Calculations:

- (a) the creation of new Maximum Aid Payments for General Assistance, linked to CalWORKs Maximum Aid Payments, and maximum Aid Payments for PAES, CALM and SSIP. Actual percentage of any Cost of Living Adjustment to the CalWORKs Maximum Aid payment will automatically be reflected in the maximum aid payments within all four programs.

**General Assistance Maximum Monthly Aid Payments:**

<u>Number of Recipients</u>	<u>Current</u>	<u>Proposed</u>	<u>Reduced Monthly Aid Payments</u>
1 person	\$ 345	\$ 279	(\$ 66)
2 persons	567	501	(\$ 66)
3 persons	703	565	(\$138)
4 persons	834	673	(\$161)
5 persons	952	767	(\$185)
6 persons	1,050	861	(\$189)
7 persons	1,175	946	(\$229)
8 persons	1,281	1,030	(\$251)
9 persons	1,388	1,113	(\$275)
10 persons*	1,508	1,196	(\$312)

- Small increments provided for additional number of persons.



**Personal Assisted Employment Services (PAES),  
Supplemental Security Income Program (SSIP) and Cash  
Assistance Linked to Medi-CAL (CALM) Maximum  
Monthly Aid Payments:** (these are new programs with no previous  
payment levels)

<u>Number of Recipients</u>	<u>Proposed</u>
1 person	\$ 345
2 persons	567
3 persons	703
4 persons	\$ 834
5 persons	952
6 persons	1,050
7 persons	1,175
8 persons	1,281
9 persons	1,388
10 persons*	1,508

\* Small increments provided for additional number of persons.

- (b) allowing for rent payments up to the otherwise eligible client's total monthly income and/or assets. (In the General Assistance Program, this is an increase from the allowable limit of the actual monthly grant amount.)
- (c) excluding income tax refunds, as well as foster care and Food Stamps Employment and Training (FSET)/General Assistance Training and Education Services (GATES) payments, from the calculation of available income.
- (d) exempting the value of a vehicle whose cash value is less than \$4,650.
- (e) providing that rent-free housing shall be valued according to the Income-In-Kind chart in the California Code of Regulations. (The General Assistance Program currently provides that the value of rent-free housing be calculated according to fair market value, which is significantly higher than the Income-In-Kind Chart values.)
- (f) for the General Assistance Program ONLY: providing for a rent supplement that will permit the recipient to receive more than \$279 in cash, in the form of a 2-party check made payable to the recipient and his/her landlord for the actual amount of rent up to \$345, when requested by the recipient.

Means of Benefits Payments

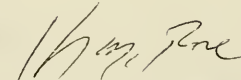
- (a) providing that aid payments may be made payable to the recipient or to the recipients designated co-payee jointly;
- (b) including two-party warrants and electronic benefit transfers as acceptable forms of aid payments

**Comments:**

1. In January of 1998, the Board of Supervisors approved a supplemental appropriation ordinance in the amount of \$10,851,892 for the balance of FY 1997-98 to fund implementation of Welfare Reform Programs, expansion of Adoption and Homeless Programs and improvement of the Department of Human Services. According to Ms. Julie Murray Brenman of the Department of Human Services, a portion of this previously approved supplemental appropriation, will be used for increased staffing and services for the Personal Assisted Employment Services (PAES) Program, for which the funding is to begin in May of 1998.

2. As detailed in the attached memo, DHS anticipates that the changes to the General Assistance Program and the creation of the new Personal Assisted Employment Services (PAES) Program, the County Assistance Linked to Medi-CAL (CALM) Program, and the Supplemental Security Income Pending (SSIP) Program for indigent adults is estimated to have some fiscal impact on DHS. DHS has identified a number of variables that will result in fiscal impact. These include reducing caseloads, providing additional support services, reducing grant amounts, broadening eligibility requirements, providing stipends, and claiming Federal and State revenues for a portion of staffing costs, among other variables. DHS reports that the number and significance of these variables makes it difficult to estimate the net fiscal impact at this time. However, DHS anticipates being able to provide the Board of Supervisors with estimates of the net fiscal impact of each of the proposed programs included in this legislation during the FY 1998-99 budget process.

**Recommendation:** Approval of the proposed legislation is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Teng  
President Kaufman  
Supervisor Newsom  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Brown  
Supervisor Katz  
Supervisor Medina  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Gail Feldman  
Matthew Hymel  
Stephen Kawa  
Ted Lakey

JAN-14-1998 15:06

DEPT OF HUMAN SVCS

415 431 9270 P.01/01

## City and County of San Francisco

## Department of Human Services

AttachmentWill Lightbourne  
Executive DirectorDeputy Directors  
Bill Dedmoncourt  
Jim Bulck  
Sally Kipper

## MEMORANDUM

January 14, 1998

TO: Karen Sikkenga  
Budget Analyst

FROM: Julie Murray Brenman *JMB*  
Budget & Fiscal Operations Manager

RE: Fiscal Impact of Indigent Adult Ordinance Changes

The changes to the General Assistance ordinance and the creation of the new PAES, CALM and SSIP programs for indigent adults will likely have a fiscal impact on DHS. At this point, we have identified a number of variables that will contribute to fiscal changes:

- We are reducing the caseload size per DHS worker for clients in the PAES program in order to provide clients with case management and employment-related services. This additional staff will increase our costs.
- We are providing additional supportive services, including transportation, vocational training and substance abuse treatment to eligible clients in the PAES program.
- We are providing housing stipends to a limited number of clients in the PAES program and to eligible clients in the GA program, which could increase our costs.
- We are broadening some eligibility requirements, which could increase our caseload.
- We are reducing the types of sanctions that can apply to clients in the CALM and SSIP programs, which, over time, may increase our caseload.
- We are reducing the monthly grant amount for clients in the GA program, thus providing a cost savings.
- We will be able to claim federal and state revenues for a portion of staffing costs in the CALM program because all of the clients are linked to Medi-Cal. These staff costs were previously paid entirely by the county.

Because there are so many variables that impact our costs in the indigent adult programs, we can not accurately predict a net fiscal impact at this point. As we develop our FY 1998-99 budget, we will estimate the impact the ordinance changes will have on our budget.

(415) 857-6000

P.O. Box 7988

San Francisco, California 94120

TOTAL P.01

TOTAL P.08









